



ANNUAL STATEMENT

For the Year Ended December 31, 2016
of the Condition and Affairs of the

HEALTH NET HEALTH PLAN OF OREGON, INC.

NAIC Group Code.....1295, 1295 (Current Period) (Prior Period) NAIC Company Code..... 95800 Employer's ID Number..... 93-1004034

Organized under the Laws of OR State of Domicile or Port of Entry OR Country of Domicile US
Licensed as Business Type.....Health Care Services Organization Is HMO Federally Qualified? Yes [] No [X]
Incorporated/Organized..... June 1, 1989 Commenced Business..... September 1, 1989
Statutory Home Office 13221 SW 68th Parkway, Suite 200..... Tigard OR US 97223-8328
(Street and Number) (City or Town, State, Country and Zip Code)
Main Administrative Office 13221 SW 68th Parkway, Suite 200..... Tigard OR US 97223-8328 888-802-7001
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)
Mail Address 13221 SW 68th Parkway, Suite 200..... Tigard OR US 97223-8328
(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)
Primary Location of Books and Records 13221 SW 68th Parkway, Suite 200..... Tigard OR US 97223-8328 888-802-7001
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)
Internet Web Site Address www.Centene.com
Statutory Statement Contact Cortney Sharp Marsden 314-349-3338
(Name) (Area Code) (Telephone Number) (Extension)
cmarsden@centene.com 314-725-4658
(E-Mail Address) (Fax Number)

OFFICERS

Name	Title	Name	Title
Christian David Ellertson	President & CEO	Keith Harvey Williamson #	Secretary
		Christopher Donald Bowers #	Chairman
OTHER			
Steven Daniel Sickle #	Assistant Secretary	Roupen (NMN) Berberian	Vice President
Cathy Aram Hughes	Vice President	Jefferey Alan Schwaneke #	Vice President
Tricia Lynn Dinkelman #	Vice President		

DIRECTORS OR TRUSTEES

Christian David Ellertson Kenneth Leslie Leander Christopher Donald Bowers #

State of.....
County of.....

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

_____ (Signature) Christian David Ellertson	_____ (Signature) Keith Harvey Williamson	_____ (Signature)
_____ (Printed Name) President & CEO	_____ (Printed Name) Secretary	_____ 3. (Printed Name)
_____ (Title)	_____ (Title)	_____ (Title)

Subscribed and sworn to before me
This _____ day of _____ 2017

a. Is this an original filing? Yes [X] No []
b. If no
1. State the amendment number _____
2. Date filed _____
3. Number of pages attached _____

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	121,888,228		121,888,228	93,827,824
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....			0	
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....(4,602,995), Schedule E-Part 1), cash equivalents (\$.....3,999,200, Schedule E-Part 2) and short-term investments (\$.....22,386,778, Schedule DA).....	21,782,983		21,782,983	32,901,512
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives (Schedule DB).....			0	
8. Other invested assets (Schedule BA).....			0	
9. Receivables for securities.....	28		28	
10. Securities lending reinvested collateral assets (Schedule DL).....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	143,671,239	0	143,671,239	126,729,336
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	836,769		836,769	655,977
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	2,682,687	125,439	2,557,248	3,097,094
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			0	
15.3 Accrued retrospective premiums (\$.....8,954,928) and contracts subject to redetermination (\$.....3,471,152).....	12,556,743	130,663	12,426,080	9,175,895
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	1,694,793		1,694,793	2,469,469
16.2 Funds held by or deposited with reinsured companies.....			0	
16.3 Other amounts receivable under reinsurance contracts.....			0	
17. Amounts receivable relating to uninsured plans.....	504,304		504,304	2,480,314
18.1 Current federal and foreign income tax recoverable and interest thereon.....	10,122,682		10,122,682	
18.2 Net deferred tax asset.....			0	7,950
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....			0	
21. Furniture and equipment, including health care delivery assets (\$.....0).....			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....	4,729,195		4,729,195	2,337,508
24. Health care (\$.....5,095,948) and other amounts receivable.....	7,321,398	2,225,450	5,095,948	5,098,748
25. Aggregate write-ins for other-than-invested assets.....	124,378	124,378	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	184,244,188	2,605,930	181,638,258	152,052,291
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTAL (Lines 26 and 27).....	184,244,188	2,605,930	181,638,258	152,052,291

DETAILS OF WRITE-INS

1101.			0	
1102.			0	
1103.			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Other Assets Nonadmitted.....	124,378	124,378	0	
2502.			0	
2503.			0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	124,378	124,378	0	0

HEALTH NET HEALTH PLAN OF OREGON, INC.
LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....101,165 reinsurance ceded).....	39,207,345	6,495,275	45,702,620	44,525,462
2. Accrued medical incentive pool and bonus amounts.....			0	
3. Unpaid claims adjustment expenses.....	1,554,784	257,573	1,812,357	2,060,423
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act.....	23,229,390		23,229,390	24,792,678
5. Aggregate life policy reserves.....			0	
6. Property/casualty unearned premium reserves.....			0	
7. Aggregate health claim reserves.....			0	
8. Premiums received in advance.....	2,693,879		2,693,879	3,833,917
9. General expenses due or accrued.....	4,325,785		4,325,785	4,461,194
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)).....			0	500,393
10.2 Net deferred tax liability.....			0	
11. Ceded reinsurance premiums payable.....	18,828		18,828	50,540
12. Amounts withheld or retained for the account of others.....	201		201	317
13. Remittances and items not allocated.....	1,650,468		1,650,468	353,612
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current).....			0	
15. Amounts due to parent, subsidiaries and affiliates.....	1,322,583		1,322,583	1,539,772
16. Derivatives.....			0	
17. Payable for securities.....	15		15	
18. Payable for securities lending.....			0	
19. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers).....			0	
20. Reinsurance in unauthorized and certified (\$.....0) companies.....			0	
21. Net adjustments in assets and liabilities due to foreign exchange rates.....			0	
22. Liability for amounts held under uninsured plans.....	4,698		4,698	726,443
23. Aggregate write-ins for other liabilities (including \$.....990,622 current).....	1,216,188	0	1,216,188	1,124,038
24. Total liabilities (Lines 1 to 23).....	75,224,164	6,752,848	81,977,012	83,968,789
25. Aggregate write-ins for special surplus funds.....	XXX	XXX	0	7,200,000
26. Common capital stock.....	XXX	XXX	10	10
27. Preferred capital stock.....	XXX	XXX		
28. Gross paid in and contributed surplus.....	XXX	XXX	164,941,403	102,949,401
29. Surplus notes.....	XXX	XXX		
30. Aggregate write-ins for other-than-special surplus funds.....	XXX	XXX	0	0
31. Unassigned funds (surplus).....	XXX	XXX	(65,280,167)	(42,065,909)
32. Less treasury stock at cost:				
32.1 .....0.000 shares common (value included in Line 26 \$.....0).....	XXX	XXX		
32.2 .....0.000 shares preferred (value included in Line 27 \$.....0).....	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32).....	XXX	XXX	99,661,246	68,083,502
34. Total liabilities, capital and surplus (Lines 24 and 33).....	XXX	XXX	181,638,258	152,052,291

DETAILS OF WRITE-INS

2301. Payroll and Other Liabilities.....	949,097		949,097	854,599
2302. Unclaimed Property.....	225,566		225,566	166,617
2303. Post Retirement Benefit Cost.....	41,525		41,525	102,822
2398. Summary of remaining write-ins for Line 23 from overflow page.....	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above).....	1,216,188	0	1,216,188	1,124,038
2501. Special surplus amount for estimated subsequent year health insurer fee.....	XXX	XXX		7,200,000
2502.	XXX	XXX		
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	XXX	XXX	0	7,200,000
3001.	XXX	XXX		
3002.	XXX	XXX		
3003.	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page.....	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above).....	XXX	XXX	0	0

HEALTH NET HEALTH PLAN OF OREGON, INC.
STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member months.....	XXX	1,092,324	954,798
2. Net premium income (including \$.....0 non-health premium income).....	XXX	509,798,729	418,616,587
3. Change in unearned premium reserves and reserve for rate credits.....	XXX	(3,622,299)	224,578
4. Fee-for-service (net of \$.....0 medical expenses).....	XXX		
5. Risk revenue.....	XXX		
6. Aggregate write-ins for other health care related revenues.....	XXX	.0	.0
7. Aggregate write-ins for other non-health revenues.....	XXX	.0	.0
8. Total revenues (Lines 2 to 7).....	XXX	506,176,430	418,841,165
Hospital and Medical:			
9. Hospital/medical benefits.....	36,398,058	326,969,567	269,870,434
10. Other professional services.....	8,214,623	60,883,198	50,730,134
11. Outside referrals.....	19,148,599	19,148,599	16,377,152
12. Emergency room and out-of-area.....	4,519,658	19,138,941	15,887,197
13. Prescription drugs.....	248,763	56,054,256	46,721,822
14. Aggregate write-ins for other hospital and medical.....	.0	.0	.0
15. Incentive pool, withhold adjustments and bonus amounts.....			
16. Subtotal (Lines 9 to 15).....	68,529,701	482,194,561	399,586,739
Less:			
17. Net reinsurance recoveries.....		670,280	2,843,644
18. Total hospital and medical (Lines 16 minus 17).....	68,529,701	481,524,281	396,743,095
19. Non-health claims (net).....			
20. Claims adjustment expenses, including \$.....16,410,295 cost containment expenses.....	3,253,283	22,891,028	17,439,169
21. General administrative expenses.....		57,899,275	50,667,196
22. Increase in reserves for life and accident and health contracts including \$.....0 increase in reserves for life only.....		(5,185,587)	(5,128,639)
23. Total underwriting deductions (Lines 18 through 22).....	71,782,984	557,128,997	459,720,821
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX	(50,952,567)	(40,879,656)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		2,723,309	2,429,113
26. Net realized capital gains or (losses) less capital gains tax of \$.....3,702.....		(59,834)	30,724
27. Net investment gains or (losses) (Lines 25 plus 26).....	.0	2,663,475	2,459,837
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)].....			
29. Aggregate write-ins for other income or expenses.....	.0	(25,896)	.32
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	XXX	(48,314,988)	(38,419,787)
31. Federal and foreign income taxes incurred.....	XXX	(16,472,253)	(13,029,154)
32. Net income (loss) (Lines 30 minus 31).....	XXX	(31,842,735)	(25,390,633)

DETAILS OF WRITE-INS

0601.	XXX		
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page.....	XXX	.0	.0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above).....	XXX	.0	.0
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page.....	XXX	.0	.0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above).....	XXX	.0	.0
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page.....	.0	.0	.0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....	.0	.0	.0
2901. Fines and Penalties.....		(25,896)	
2902. Other Income.....			.32
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page.....	.0	.0	.0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above).....	.0	(25,896)	.32

HEALTH NET HEALTH PLAN OF OREGON, INC.
STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1	2
	Current Year	Prior Year
33. Capital and surplus prior reporting period.....	68,083,502	55,747,288
34. Net income or (loss) from Line 32.....	(31,842,735)	(25,390,633)
35. Change in valuation basis of aggregate policy and claim reserves.....		
36. Change in net unrealized capital gains and (losses) less capital gains tax of \$.....3,702.....	22,614	10,496
37. Change in net unrealized foreign exchange capital gain or (loss).....		
38. Change in net deferred income tax.....	(7,950)	(10,740,795)
39. Change in nonadmitted assets.....	1,410,235	1,465,116
40. Change in unauthorized and certified reinsurance.....		
41. Change in treasury stock.....		
42. Change in surplus notes.....		
43. Cumulative effect of changes in accounting principles.....		
44. Capital changes:		
44.1 Paid in.....		
44.2 Transferred from surplus (Stock Dividend).....		
44.3 Transferred to surplus.....		
45. Surplus adjustments:		
45.1 Paid in.....	62,000,000	47,006,794
45.2 Transferred to capital (Stock Dividend).....		
45.3 Transferred from capital.....		
46. Dividends to stockholders.....		
47. Aggregate write-ins for gains or (losses) in surplus.....	(4,420)	(14,764)
48. Net change in capital and surplus (Lines 34 to 47).....	31,577,744	12,336,214
49. Capital and surplus end of reporting period (Line 33 plus 48).....	99,661,246	68,083,502

DETAILS OF WRITE-INS

4701. Prior Period Adjustment for Post Retirement Benefits Net of Tax.....	(4,420)	(14,764)
4702. Addition to special surplus for estimated subsequent year health insurer fee.....		7,200,000
4703. Deduction from unassigned surplus for estimated subsequent year health insurer fee.....		(7,200,000)
4798. Summary of remaining write-ins for Line 47 from overflow page.....	.0	.0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above).....	(4,420)	(14,764)

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	509,041,109	414,331,414
2. Net investment income.....	3,387,890	3,348,287
3. Miscellaneous income.....	(2,608,876)	140,951
4. Total (Lines 1 through 3).....	509,820,123	417,820,652
5. Benefit and loss related payments.....	479,976,965	386,135,593
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	79,867,739	68,780,256
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	(5,845,476)	(14,702,263)
10. Total (Lines 5 through 9).....	553,999,228	440,213,586
11. Net cash from operations (Line 4 minus Line 10).....	(44,179,105)	(22,392,934)
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	17,322,250	11,815,754
12.2 Stocks.....		
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....		
12.7 Miscellaneous proceeds.....		
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	17,322,250	11,815,754
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	46,261,545	14,639,564
13.2 Stocks.....		
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....		
13.6 Miscellaneous applications.....	13	
13.7 Total investments acquired (Lines 13.1 to 13.6).....	46,261,558	14,639,564
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(28,939,308)	(2,823,810)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....	62,000,000	47,000,000
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....		
16.6 Other cash provided (applied).....	(116)	6,803
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	61,999,884	47,006,803
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	(11,118,529)	21,790,059
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	32,901,512	11,111,453
19.2 End of year (Line 18 plus Line 19.1).....	21,782,983	32,901,512

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001		
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UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical).....	227,626,034		18,828	227,607,206
2. Medicare supplement.....	4,325,725			4,325,725
3. Dental only.....	794,534			794,534
4. Vision only.....	1,685,468			1,685,468
5. Federal employees health benefits plan.....				.0
6. Title XVIII - Medicare.....	275,385,796			275,385,796
7. Title XIX - Medicaid.....				.0
8. Other health.....				.0
9. Health subtotal (Lines 1 through 8).....	509,817,557	.0	18,828	509,798,729
10. Life.....				.0
11. Property/casualty.....				.0
12. Totals (Lines 9 to 11).....	509,817,557	.0	18,828	509,798,729

**UNDERWRITING AND INVESTMENT EXHIBIT
PART 2 - CLAIMS INCURRED DURING THE YEAR**

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct.....	481,629,054	204,764,887	4,319,295	554,491	904,635		271,085,746			
1.2 Reinsurance assumed.....	0									
1.3 Reinsurance ceded.....	1,652,089	1,652,089								
1.4 Net.....	479,976,965	203,112,798	4,319,295	554,491	904,635	0	271,085,746	0	0	0
2. Paid medical incentive pools and bonuses.....	0									
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct.....	45,803,785	21,241,812	413,494	22,446			24,126,033			
3.2 Reinsurance assumed.....	0									
3.3 Reinsurance ceded.....	101,165	101,165								
3.4 Net.....	45,702,620	21,140,647	413,494	22,446	0	0	24,126,033	0	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct.....	0									
4.2 Reinsurance assumed.....	0									
4.3 Reinsurance ceded.....	0									
4.4 Net.....	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year.....	0									
6. Net healthcare receivables (a).....	404,518	148,843	(88)				255,763			
7. Amounts recoverable from reinsurers December 31, current year.....	1,694,793	1,694,793								
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct.....	44,833,760	20,286,747	631,327	31,024			23,884,662			
8.2 Reinsurance assumed.....	0									
8.3 Reinsurance ceded.....	308,298	308,298								
8.4 Net.....	44,525,462	19,978,449	631,327	31,024	0	0	23,884,662	0	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct.....	0									
9.2 Reinsurance assumed.....	0									
9.3 Reinsurance ceded.....	0									
9.4 Net.....	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year.....	0									
11. Amounts recoverable from reinsurers December 31, prior year.....	2,469,469	2,469,469								
12. Incurred benefits:										
12.1 Direct.....	482,194,561	205,571,109	4,101,550	545,913	904,635	0	271,071,354	0	0	0
12.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded.....	670,280	670,280	0	0	0	0	0	0	0	0
12.4 Net.....	481,524,281	204,900,829	4,101,550	545,913	904,635	0	271,071,354	0	0	0
13. Incurred medical incentive pools and bonuses.....	0	0	0	0	0	0	0	0	0	0

(a) Excludes \$.....0 loans or advances to providers not yet expensed.

**UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR**

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Medical and Hospital)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in process of adjustment:										
1.1 Direct.....	3,963,173	2,710,232	12,102				1,240,839			
1.2 Reinsurance assumed.....	0									
1.3 Reinsurance ceded.....	0									
1.4 Net.....	3,963,173	2,710,232	12,102	0	0	0	1,240,839	0	0	0
2. Incurred but unreported:										
2.1 Direct.....	41,840,612	18,531,580	401,392	22,446			22,885,194			
2.2 Reinsurance assumed.....	0									
2.3 Reinsurance ceded.....	101,165	101,165								
2.4 Net.....	41,739,447	18,430,415	401,392	22,446	0	0	22,885,194	0	0	0
3. Amounts withheld from paid claims and capitations:										
3.1 Direct.....	0									
3.2 Reinsurance assumed.....	0									
3.3 Reinsurance ceded.....	0									
3.4 Net.....	0	0	0	0	0	0	0	0	0	0
4. Totals:										
4.1 Direct.....	45,803,785	21,241,812	413,494	22,446	0	0	24,126,033	0	0	0
4.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded.....	101,165	101,165	0	0	0	0	0	0	0	0
4.4 Net.....	45,702,620	21,140,647	413,494	22,446	0	0	24,126,033	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical).....	20,709,318	183,178,157	94,899	21,045,747	20,804,217	19,978,448
2. Medicare supplement.....	564,207	3,755,085	1,498	411,996	565,705	631,326
3. Dental only.....	11,134	543,357	31	22,415	11,165	31,024
4. Vision only.....		904,635			0	
5. Federal employees health benefits plan.....					0	
6. Title XVIII - Medicare.....	21,672,200	249,413,548	1,628	24,124,406	21,673,828	23,884,664
7. Title XIX - Medicaid.....					0	
8. Other health.....					0	
9. Health subtotal (Lines 1 to 8).....	42,956,859	437,794,782	98,056	45,604,564	43,054,915	44,525,462
10. Healthcare receivables (a).....	168,339	1,715,624	2,875	5,434,560	171,214	6,916,880
11. Other non-health.....					0	
12. Medical incentive pools and bonus amounts.....					0	
13. Totals (Lines 9 - 10 + 11 + 12).....	42,788,520	436,079,158	95,181	40,170,004	42,883,701	37,608,582

(a) Excludes \$.....0 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS
 (000 Omitted)

SECTION A - PAID HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior.....	29,339	28,973	28,559	28,505	28,506
2. 2012.....	268,459	298,995	299,005	298,799	298,761
3. 2013.....	XXX	225,081	250,551	250,711	250,688
4. 2014.....	XXX	XXX	265,996	298,841	298,835
5. 2015.....	XXX	XXX	XXX	354,616	397,638
6. 2016.....	XXX	XXX	XXX	XXX	437,795

SECTION B - INCURRED HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior.....	29,948	28,998	28,560	28,506	28,506
2. 2012.....	305,925	299,072	299,009	298,799	298,761
3. 2013.....	XXX	253,205	250,635	250,713	250,688
4. 2014.....	XXX	XXX	300,473	299,016	298,837
5. 2015.....	XXX	XXX	XXX	401,230	397,736
6. 2016.....	XXX	XXX	XXX	XXX	485,261

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - GRAND TOTAL

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expense	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2012.....	368,785	298,761	10,459	3.5	309,220	83.8			309,220	83.8
2. 2013.....	294,054	250,688	11,094	4.4	261,782	89.0			261,782	89.0
3. 2014.....	327,884	298,835	12,934	4.3	311,769	95.1	1		311,770	95.1
4. 2015.....	418,840	397,638	17,514	4.4	415,152	99.1	97	247	415,496	99.2
5. 2016.....	506,177	437,795	20,017	4.6	457,812	90.4	45,604	1,565	504,981	99.8

12.GT

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS
 (000 Omitted)

SECTION A - PAID HEALTH CLAIMS - HOSPITAL AND MEDICAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior.....	29,170	28,804	28,390	28,336	28,337
2. 2012.....	264,497	294,832	294,842	294,638	294,600
3. 2013.....	.XXX	207,971	231,128	231,304	231,329
4. 2014.....	.XXX	.XXX	173,240	192,740	192,734
5. 2015.....	.XXX	.XXX	.XXX	168,461	189,188
6. 2016.....	.XXX	.XXX	.XXX	.XXX	183,178

SECTION B - INCURRED HEALTH CLAIMS - HOSPITAL AND MEDICAL

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior.....	29,779	28,829	28,391	28,337	28,337
2. 2012.....	301,688	294,909	294,846	294,638	294,600
3. 2013.....	.XXX	233,641	231,211	231,306	231,329
4. 2014.....	.XXX	.XXX	196,876	192,913	192,736
5. 2015.....	.XXX	.XXX	.XXX	194,755	189,282
6. 2016.....	.XXX	.XXX	.XXX	.XXX	210,565

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - HOSPITAL AND MEDICAL

Years in Which Premiums were Eamed and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2012.....	363,498	294,600	10,331	3.5	304,931	83.9			304,931	83.9
2. 2013.....	273,726	231,329	9,995	4.3	241,324	88.2			241,324	88.2
3. 2014.....	230,880	192,734	8,018	4.2	200,752	87.0	1		200,753	87.0
4. 2015.....	211,220	189,188	7,636	4.0	196,824	93.2	94	119	197,037	93.3
5. 2016.....	227,579	183,178	6,500	3.5	189,678	83.3	21,046	720	211,444	92.9

12.HM

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS
 (000 Omitted)

SECTION A - PAID HEALTH CLAIMS - MEDICARE SUPPLEMENT

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior.....	.37	.37	.37	.37	.37
2. 2012.....	705	788	788	786	786
3. 2013.....	.XXX	2,431	2,897	2,893	2,891
4. 2014.....	.XXX	.XXX	4,794	5,394	5,395
5. 2015.....	.XXX	.XXX	.XXX	5,074	5,639
6. 2016.....	.XXX	.XXX	.XXX	.XXX	3,755

SECTION B - INCURRED HEALTH CLAIMS - MEDICARE SUPPLEMENT

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior.....	.37	.37	.37	.37	.37
2. 2012.....	796	788	788	786	786
3. 2013.....	.XXX	2,943	2,898	2,893	2,891
4. 2014.....	.XXX	.XXX	5,530	5,394	5,395
5. 2015.....	.XXX	.XXX	.XXX	5,687	5,641
6. 2016.....	.XXX	.XXX	.XXX	.XXX	4,149

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - MEDICARE SUPPLEMENT

Years in Which Premiums were Eamed and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2012.....	.750	.786	.46	.59	.832	110.9			.832	110.9
2. 2013.....	2,696	2,891	.181	6.3	3,072	113.9			3,072	113.9
3. 2014.....	5,493	5,395	.266	4.9	5,661	103.1			5,661	103.1
4. 2015.....	5,599	5,639	.212	3.8	5,851	104.5	.1	.2	5,854	104.6
5. 2016.....	4,326	3,755	.59	1.6	3,814	88.2	.412	.14	4,240	98.0

12.MS

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS
 (000 Omitted)

SECTION A - PAID HEALTH CLAIMS - DENTAL ONLY

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior.....	.48	.48	.48	.48	.48
2. 2012.....	986	1,032	1,033	1,033	1,033
3. 2013.....	.XXX	761	801	801	801
4. 2014.....	.XXX	.XXX	693	705	705
5. 2015.....	.XXX	.XXX	.XXX	624	635
6. 2016.....	.XXX	.XXX	.XXX	.XXX	543

SECTION B - INCURRED HEALTH CLAIMS - DENTAL ONLY

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior.....	.48	.48	.48	.48	.48
2. 2012.....	1,031	1,032	1,033	1,033	1,033
3. 2013.....	.XXX	793	801	801	801
4. 2014.....	.XXX	.XXX	737	705	705
5. 2015.....	.XXX	.XXX	.XXX	652	635
6. 2016.....	.XXX	.XXX	.XXX	.XXX	563

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - DENTAL ONLY

Years in Which Premiums were Eamed and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2012.....	1,346	1,033	.1	.01	1,034	76.8			1,034	76.8
2. 2013.....	1,138	801	.1	.01	802	70.5			802	70.5
3. 2014.....	922	705		.00	705	76.5			705	76.5
4. 2015.....	701	635	.1	.02	636	90.7			636	90.7
5. 2016.....	795	543	.1	.02	544	68.4	.22	.1	567	71.3

12.D0

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS
 (000 Omitted)

SECTION A - PAID HEALTH CLAIMS - VISION ONLY

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior.....					
2. 2012.....	1,255	1,255	1,255	1,255	1,255
3. 2013.....	.XXX	.915	.915	.915	.915
4. 2014.....	.XXX	.XXX	1,041	1,041	1,041
5. 2015.....	.XXX	.XXX	.XXX	1,061	1,061
6. 2016.....	.XXX	.XXX	.XXX	.XXX	905

SECTION B - INCURRED HEALTH CLAIMS - VISION ONLY

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior.....					
2. 2012.....	1,255	1,255	1,255	1,255	1,255
3. 2013.....	.XXX	.915	.915	.915	.915
4. 2014.....	.XXX	.XXX	1,041	1,041	1,041
5. 2015.....	.XXX	.XXX	.XXX	1,061	1,061
6. 2016.....	.XXX	.XXX	.XXX	.XXX	905

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - VISION ONLY

Years in Which Premiums were Eamed and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2012.....	1,659	1,255		0.0	1,255	75.6			1,255	75.6
2. 2013.....	1,196	.915	.1	0.1	.916	76.6		.916	.916	76.6
3. 2014.....	1,491	1,041	.1	0.1	1,042	69.9		1,042	1,042	69.9
4. 2015.....	1,902	1,061		0.0	1,061	55.8		1,061	1,061	55.8
5. 2016.....	1,685	.905	.1	0.1	.906	53.8		.906	.906	53.8

12.VO

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS
 (000 Omitted)

SECTION A - PAID HEALTH CLAIMS - FEDERAL EMPLOYEES HEALTH BENEFITS PLAN PREMIUM

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior.....	NONE				
2. 2012.....					
3. 2013.....	.XXX				
4. 2014.....	.XXX	.XXX			
5. 2015.....	.XXX	.XXX	.XXX		
6. 2016.....	.XXX	.XXX	.XXX	.XXX	

SECTION B - INCURRED HEALTH CLAIMS - FEDERAL EMPLOYEES HEALTH BENEFITS PLAN PREMIUM

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior.....	NONE				
2. 2012.....					
3. 2013.....	.XXX				
4. 2014.....	.XXX	.XXX			
5. 2015.....	.XXX	.XXX	.XXX		
6. 2016.....	.XXX	.XXX	.XXX	.XXX	

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - FEDERAL EMPLOYEES HEALTH BENEFITS PLAN PREMIUM

Years in Which Premiums were Eamed and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 3+4)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2012.....				0.0	0.0	0.0			0.0	0.0
2. 2013.....				0.0	0.0	0.0			0.0	0.0
3. 2014.....				0.0	0.0	0.0			0.0	0.0
4. 2015.....				0.0	0.0	0.0			0.0	0.0
5. 2016.....				0.0	0.0	0.0			0.0	0.0

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UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS
 (000 Omitted)

SECTION A - PAID HEALTH CLAIMS - TITLE XVIII - MEDICARE

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior.....	.84	.84	.84	.84	.84
2. 2012.....	1,016	1,088	1,087	1,087	1,087
3. 2013.....	.XXX	13,003	14,810	14,798	14,752
4. 2014.....	.XXX	.XXX	86,228	98,961	98,960
5. 2015.....	.XXX	.XXX	.XXX	179,396	201,115
6. 2016.....	.XXX	.XXX	.XXX	.XXX	249,414

SECTION B - INCURRED HEALTH CLAIMS - TITLE XVIII - MEDICARE

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior.....	.84	.84	.84	.84	.84
2. 2012.....	1,155	1,088	1,087	1,087	1,087
3. 2013.....	.XXX	14,913	14,810	14,798	14,752
4. 2014.....	.XXX	.XXX	96,289	98,963	98,960
5. 2015.....	.XXX	.XXX	.XXX	199,075	201,117
6. 2016.....	.XXX	.XXX	.XXX	.XXX	269,079

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - TITLE XVIII - MEDICARE

Years in Which Premiums were Eamed and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2012.....	1,532	1,087	.81	.75	1,168	.762			1,168	.762
2. 2013.....	15,298	14,752	.916	.62	15,668	.1024			15,668	.1024
3. 2014.....	89,098	98,960	4,649	.47	103,609	.1163			103,609	.1163
4. 2015.....	199,418	201,115	9,665	.48	210,780	.1057	.2	.126	210,908	.1058
5. 2016.....	271,792	249,414	13,456	.54	262,870	.967	24,124	.830	287,824	.1059

12.XV

**Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE**

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves.....	72,222	71,673					549		
2. Additional policy reserves (a).....	19,178,679	6,620,957					12,557,722		
3. Reserve for future contingent benefits.....	0								
4. Reserve for rate credits or experience rating refunds (including \$.....0) for investment income.....	3,978,489						3,978,489		
5. Aggregate write-ins for other policy reserves.....	0	0	0	0	0	0	0	0	0
6. Totals (gross).....	23,229,390	6,692,630	0	0	0	0	16,536,760	0	0
7. Reinsurance ceded.....	0								
8. Totals (net) (Page 3, Line 4).....	23,229,390	6,692,630	0	0	0	0	16,536,760	0	0
9. Present value of amounts not yet due on claims.....	0								
10. Reserve for future contingent benefits.....	0								
11. Aggregate write-ins for other claim reserves.....	0	0	0	0	0	0	0	0	0
12. Totals (gross).....	0	0	0	0	0	0	0	0	0
13. Reinsurance ceded.....	0								
14. Totals (net) (Page 3, Line 7).....	0	0	0	0	0	0	0	0	0

DETAILS OF WRITE-INS

0501.	0								
0502.	0								
0503.	0								
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above).....	0	0	0	0	0	0	0	0	0
1101.	0								
1102.	0								
1103.	0								
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	0	0	0	0	0	0	0	0	0

(a) Includes \$.....0 premium deficiency reserve.

HEALTH NET HEALTH PLAN OF OREGON, INC.
UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$.....0 for occupancy of own building).....	369,929	211,613	953,227		1,534,769
2. Salaries, wages and other benefits.....	6,779,993	4,260,573	16,004,375		27,044,941
3. Commissions (less \$.....0 ceded plus \$.....0 assumed).....			14,314,812		14,314,812
4. Legal fees and expenses.....					0
5. Certifications and accreditation fees.....	31,554		7		31,561
6. Auditing, actuarial and other consulting services.....	271,773	10,835	2,465,393		2,748,001
7. Traveling expenses.....	74,435	22,652	283,206		380,293
8. Marketing and advertising.....	47,936	11,993	2,267,625		2,327,554
9. Postage, express and telephone.....	15,491	3,168	368,415		387,074
10. Printing and office supplies.....	14,067	9,489	674,660		698,216
11. Occupancy, depreciation and amortization.....	21,737	10,374	263,181		295,292
12. Equipment.....	329	174	107,977		108,480
13. Cost or depreciation of EDP equipment and software.....	361,023	72,451	1,847,695		2,281,169
14. Outsourced services including EDP, claims, and other services.....	7,959,260	1,996,588	6,817,989		16,773,837
15. Boards, bureaus and association fees.....					0
16. Insurance, except on real estate.....		139,112	86,997		226,109
17. Collection and bank service charges.....	10	241	349,834		350,085
18. Group service and administration fees.....					0
19. Reimbursements by uninsured plans.....					0
20. Reimbursements from fiscal intermediaries.....					0
21. Real estate expenses.....					0
22. Real estate taxes.....	489	161	14,716		15,366
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes.....		41	2,898		2,939
23.2 State premium taxes.....			833,395		833,395
23.3 Regulatory authority licenses and fees.....	1,677	3,432	479,615		484,724
23.4 Payroll taxes.....	456,281	269,228	1,102,524		1,828,033
23.5 Other (excluding federal income and real estate taxes).....			7,963,186		7,963,186
24. Investment expenses not included elsewhere.....				4,742	4,742
25. Aggregate write-ins for expenses.....	4,311	(541,392)	697,548	0	160,467
26. Total expenses incurred (Lines 1 to 25).....	16,410,295	6,480,733	57,899,275	4,742	(a) 80,795,045
27. Less expenses unpaid December 31, current year.....		1,812,357	4,325,785		6,138,142
28. Add expenses unpaid December 31, prior year.....		2,060,423	4,461,194		6,521,617
29. Amounts receivable relating to uninsured plans, prior year.....					0
30. Amounts receivable relating to uninsured plans, current year.....					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30).....	16,410,295	6,728,799	58,034,684	4,742	81,178,520

DETAILS OF WRITE-INS

2501. Miscellaneous expense.....	4,311	(620,712)	697,548		81,147
2502. Interest paid to providers.....		79,320			79,320
2503.					0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0	0
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above).....	4,311	(541,392)	697,548	0	160,467

(a) Includes management fees of \$.....38,028,738 to affiliates and \$.....0 to non-affiliates.

**HEALTH NET HEALTH PLAN OF OREGON, INC.
EXHIBIT OF NET INVESTMENT INCOME**

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....39,707	.....40,320
1.1 Bonds exempt from U.S. tax.....	(a).....	.....
1.2 Other bonds (unaffiliated).....	(a).....2,525,851	.....2,702,728
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....	.....
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....	.....
2.21 Common stocks of affiliates.....	.....	.....
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....	.....
5. Contract loans.....	.....	.....
6. Cash, cash equivalents and short-term investments.....	(e).....101,729	.....106,917
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....	.....
9. Aggregate write-ins for investment income.....	.....0	.....(121,914)
10. Total gross investment income.....	.....2,667,267	.....2,728,051
11. Investment expenses.....	(g).....	.....4,742
12. Investment taxes, licenses and fees, excluding federal income taxes.....	(g).....	.....
13. Interest expense.....	(h).....	.....
14. Depreciation on real estate and other invested assets.....	(i).....	.....0
15. Aggregate write-ins for deductions from investment income.....	.....	.....0
16. Total deductions (Lines 11 through 15).....	.....	.....4,742
17. Net investment income (Line 10 minus Line 16).....	.....	.....2,723,309

DETAILS OF WRITE-INS

0901. Adjustment due to investment system conversion.....	.....	.....(121,914)
0902. ....	.....	.....
0903. ....	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above).....	.....0	.....(121,914)
1501. ....	.....	.....
1502. ....	.....	.....
1503. ....	.....	.....
1598. Summary of remaining write-ins for Line 15 from overflow page.....	.....	.....0
1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above).....	.....	.....0

(a) Includes \$.....316,219 accrual of discount less \$.....1,087,889 amortization of premium and less \$.....85,722 paid for accrued interest on purchases.
 (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
 (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
 (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
 (e) Includes \$.....990 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
 (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
 (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
 (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
 (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....	.....21,524	.....	.....21,524	.....	.....
1.1 Bonds exempt from U.S. tax.....	.....	.....	.....0	.....	.....
1.2 Other bonds (unaffiliated).....	.....(128,745)	.....	.....(128,745)	.....	.....
1.3 Bonds of affiliates.....	.....	.....	.....0	.....	.....
2.1 Preferred stocks (unaffiliated).....	.....	.....	.....0	.....	.....
2.11 Preferred stocks of affiliates.....	.....	.....	.....0	.....	.....
2.2 Common stocks (unaffiliated).....	.....	.....	.....0	.....	.....
2.21 Common stocks of affiliates.....	.....	.....	.....0	.....	.....
3. Mortgage loans.....	.....	.....	.....0	.....	.....
4. Real estate.....	.....	.....	.....0	.....	.....
5. Contract loans.....	.....	.....	.....0	.....	.....
6. Cash, cash equivalents and short-term investments.....	.....	.....	.....0	.....	.....
7. Derivative instruments.....	.....	.....	.....0	.....	.....
8. Other invested assets.....	.....	.....	.....0	.....	.....
9. Aggregate write-ins for capital gains (losses).....	.....0	.....51,089	.....51,089	.....26,316	.....0
10. Total capital gains (losses).....	.....(107,221)	.....51,089	.....(56,132)	.....26,316	.....0

DETAILS OF WRITE-INS

0901. Adjustment due to investment system conversion.....	.....	.....51,089	.....51,089	.....26,316	.....
0902. ....	.....	.....	.....0	.....	.....
0903. ....	.....	.....	.....0	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0	.....0	.....0	.....0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above).....	.....0	.....51,089	.....51,089	.....26,316	.....0

HEALTH NET HEALTH PLAN OF OREGON, INC.
EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			.0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			.0
2.2 Common stocks.....			.0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			.0
3.2 Other than first liens.....			.0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			.0
4.2 Properties held for the production of income.....			.0
4.3 Properties held for sale.....			.0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			.0
6. Contract loans.....			.0
7. Derivatives (Schedule DB).....			.0
8. Other invested assets (Schedule BA).....			.0
9. Receivables for securities.....			.0
10. Securities lending reinvested collateral assets (Schedule DL).....			.0
11. Aggregate write-ins for invested assets.....	.0	.0	.0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	.0	.0	.0
13. Title plants (for Title insurers only).....			.0
14. Investment income due and accrued.....			.0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	125,439	25,818	(99,621)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			.0
15.3 Accrued retrospective premiums and contracts subject to redetermination.....	130,663	2,057,897	1,927,234
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....			.0
16.2 Funds held by or deposited with reinsured companies.....			.0
16.3 Other amounts receivable under reinsurance contracts.....			.0
17. Amounts receivable relating to uninsured plans.....			.0
18.1 Current federal and foreign income tax recoverable and interest thereon.....			.0
18.2 Net deferred tax asset.....			.0
19. Guaranty funds receivable or on deposit.....			.0
20. Electronic data processing equipment and software.....			.0
21. Furniture and equipment, including health care delivery assets.....			.0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0
23. Receivables from parent, subsidiaries and affiliates.....			.0
24. Health care and other amounts receivable.....	2,225,450	1,818,132	(407,318)
25. Aggregate write-ins for other-than-invested assets.....	124,378	114,318	(10,060)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	2,605,930	4,016,165	1,410,235
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0
28. TOTALS (Lines 26 and 27).....	2,605,930	4,016,165	1,410,235

DETAILS OF WRITE-INS

1101. ....			.0
1102. ....			.0
1103. ....			.0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	.0	.0	.0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	.0	.0	.0
2501. Other Assets Nonadmitted.....	124,378	114,318	(10,060)
2502. ....			.0
2503. ....			.0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.0	.0	.0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	124,378	114,318	(10,060)

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health maintenance organizations.....						
2. Provider service organizations.....						
3. Preferred provider organizations.....	35,888	37,355	37,613	38,606	39,585	458,311
4. Point of service.....	8,542	8,981	9,350	9,577	10,063	112,919
5. Indemnity only.....	7,154	8,530	8,299	7,735	7,678	93,498
6. Aggregate write-ins for other lines of business.....	28,709	34,747	35,514	36,254	36,725	427,596
7. Total.....	80,293	89,613	90,776	92,172	94,051	1,092,324

DETAILS OF WRITE-INS

0601. Exclusive Provider Organization.....	28,709	34,747	35,514	36,254	36,725	427,596
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page.....	0	0	0	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above).....	28,709	34,747	35,514	36,254	36,725	427,596

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

Health Net Health Plan of Oregon, Inc. (The Company) prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the Oregon Division of Financial Regulation (the Department). The Department requires that insurance companies domiciled in the State of Oregon prepare their statutory basis financial statements in accordance with the NAIC Accounting Practices and Procedures Manual subject to any deviations prescribed or permitted by the State of Oregon insurance commissioner.

	SSAP #	F/S Page	F/S Line #	2016	2015
NET INCOME					
(1) HEALTH NET HEALTH PLAN OF OREGON, INC. state basis (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	\$ (31,842,735)	\$ (25,390,633)
(2) State Prescribed Practices that increase/decrease NAIC SAP					
(3) State Permitted Practices that increase/decrease NAIC SAP					
(4) NAIC SAP (1 – 2 – 3 = 4)	XXX	XXX	XXX	\$ (31,842,735)	\$ (25,390,633)
SURPLUS					
(5) HEALTH NET HEALTH PLAN OF OREGON, INC. state basis (Page 3, line 33, Columns 3 & 4)	XXX	XXX	XXX	\$ 99,661,246	\$ 68,083,502
(6) State Prescribed Practices that increase/decrease NAIC SAP					
(7) State Permitted Practices that increase/decrease NAIC SAP					
(8) NAIC SAP (5 – 6 – 7 = 8)	XXX	XXX	XXX	\$ 99,661,246	\$ 68,083,502

B. Use of Estimates in the Preparation of the Financial Statement

The preparation of financial statements in conformity with Statutory Accounting Principles (SAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

(1) Short-term investments - Short-term investments include securities greater than 90 days and less than one year from maturity at the date of acquisition. Short-term investments are carried at amortized cost, which approximates market. Premiums and discounts on short-term investments are amortized or accreted to net investment income using the effective yield method over the contractual lives of the short-term investments.

(2) Bonds - Bonds are carried at amortized cost. Premiums and discounts are amortized or accreted to net investment income using the effective yield method over the contractual lives of the bonds, or in the case of mortgage-backed bonds, over the estimated life of the bond based upon anticipated prepayments at the date of purchase. Bonds containing call provisions are amortized to yield the lowest asset value (yield to worst method). Significant changes in prepayment assumptions are accounted for using the prospective adjustment method, based upon prepayment assumptions obtained from independent publishers of such financial data, which are consistent with the current interest rate and economic environment.

Realized gains and losses on the sale of bonds are determined using the specific cost identification method. NAIC fair value is determined by the NAIC's Securities Valuation Office ("SVO") or by Interactive Data Pricing and Reference Data, Inc. The Company periodically assesses whether a decline in the fair value of a bond is other-than-temporary, and therefore impaired.

In accordance with Statement of Statutory Accounting Principles ("SSAP") No. 26 – Bonds, Excluding Loan-Backed and Structured Securities, the Company recognizes an other-than-temporary impairment when it is probable that the Company will be unable to collect all amounts due according to the contractual terms of a bond in effect at the date of acquisition. For any such other-than-temporary impairment, the cost basis of a bond is written down to fair value, as the new cost basis, and the amount of the write-down is accounted for as a realized loss. The new cost basis is not adjusted for any subsequent recoveries in fair value. Future declines in fair value, which are determined to be other-than-temporary, are also recorded as realized losses. The discount or reduced premium recorded for a bond, based on the new cost basis, is amortized over the remaining life of a bond in a prospective manner based on the amount and timing of future estimated cash flows.

In accordance with the guidance provided in the Interpretation of the Emerging Accounting Issues Working Group (INT) 06-07: Definition of Phrase "Other-Than-Temporary", other-than-temporary impairment is based on factors, including the length of time and extent to which fair value has been less than cost, the financial condition and short-term prospects of the issuer, and the intent and ability of the Company to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in value.

(3) Common Stocks Investments – Not applicable

(4) Preferred Stocks Investments – Not applicable

(5) Mortgage Loans on real estate – Not applicable

(6) Loan-backed Securities – Loan-backed securities are stated at either amortized cost or the lower of amortized cost or fair value. The retrospective adjustment method is used to value all securities, except for interest only securities or securities where the yield had become negative, that are valued using the prospective method.

In accordance with SSAP No. 43R – Loan-Backed and Structured Securities, if the fair value of a loan-backed or structured security is less than its amortized cost basis, then the Company will record an other-than-temporary impairment, if it intends to sell the security; if the Company does not intend to sell the security but it does not have the intent nor the ability to retain the security for the time sufficient to recover the amortized cost basis; or if the present value of the cash flows expected to be collected from the security are less than its amortized cost basis.

(7) Subsidiaries controlled and affiliated entities - Not applicable

(8) Joint Ventures, Partnerships and Limited Liability Companies – Not Applicable

(9) Derivatives – Not applicable

(10) The Company anticipates investment income as a factor in the premium deficiency calculation, in accordance with SAAP No. 54, Individual and Group Accident and Health Contracts.

NOTES TO FINANCIAL STATEMENTS

(11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability, are continually reviewed and any adjustments are reflected in the period determined.

(12) Capitalization Policy – No changes from prior period.

Cash—In accordance with SSAP No. 2, Cash, Drafts and Short-term Investments, negative cash balances are reported as a negative asset and not as a liability.

Cash Equivalents—Securities maturing within 90 days of acquisition are classified as cash equivalents.

Electronic Data Processing Equipment and Software—Electronic Data Processing (“EDP”) equipment consists of computer equipment with an original cost greater than \$5,000, less accumulated depreciation. Computer equipment is depreciated using the straight-line method over a useful life of three years. The Company has no capitalized software.

Furniture and Equipment—Furniture and equipment, other than EDP equipment, are recorded at cost. Depreciation is computed using the straight-line method over estimated useful lives, ranging principally from five to seven years. All furniture and equipment, other than EDP equipment, are nonadmitted.

Net Deferred Tax Asset Receivable from Affiliate—Deferred tax assets and liabilities are reported for the estimated future tax consequences of temporary differences, resulting from differences between tax laws and statutory accounting principles, in the recognition and measurement of assets, liabilities, revenues, expenses, gains and losses. Deferred tax assets are subject to a valuation allowance and admissibility limitations.

Health Care Receivables—Health care receivables are generally comprised of overpayments to providers and pharmaceutical rebates. These balances have been evaluated for admissibility pursuant to SSAP No. 84, Certain Health Care Receivables and Receivables Under Government Insured Plans.

The Company recorded a receivable for overpayments to providers of \$415,060 and \$277,663 as of December 31, 2016 and 2015, respectively; to the extent the overpayments met the setoff condition in SSAP No. 64, Offsetting and Netting of Assets and Liabilities, up to the amount of the payable to the provider.

In accordance with SSAP No. 84, the Company records both estimated and billed pharmaceutical rebates receivable. Pharmacy rebates receivable are estimated based on actual pharmacy claim payments, multiplied by anticipated rebate rates. Estimated rebates receivable are admitted if they represent actual prescriptions filled during the three months immediately preceding the reporting date and if the rebates are actually invoiced within the two months following the reporting date. Billed rebates receivable are admitted if they are not outstanding longer than 90 days. As of December 31, 2016 and 2015, rebates receivable totaled \$5,437,435 and \$4,846,256, respectively, of which \$756,547 and \$25,171, respectively, were not admitted.

Other Invested Assets—The Company has no investments in common stocks, preferred stocks, mortgage loans, real estate, derivative financial instruments, or investments in subsidiaries, controlled or affiliated companies. In addition, the Company does not have an ownership interest in joint ventures, partnerships or limited liability companies. The Company has not modified its capitalization policy from the prior period.

Health Policy Reserves and Experience Rating Refunds—The Company carried individual product policy reserves of \$0 and \$6,354 as of December 31, 2016 and 2015, respectively, equal to the present value of the estimated future policy benefits, less estimated future net premiums, over the current and expected renewal periods of the contracts.

The Company assesses the profitability of contracts for providing health care services when operating results or forecasts indicate probable future losses. Contracts are grouped in a manner consistent with the method of determining premium rates. Losses are determined by comparing anticipated premiums to the total of health care related costs, less reinsurance recoveries, if any, and the cost of maintaining the contracts. Losses, if any, are recognized in the period the loss is determined. The Company anticipates investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 54, Individual and Group Accident and Health Contracts. As of December 31, 2016 and 2015, the Company reported premium deficiency reserves of \$19,178,679 and \$24,357,911, respectively.

The Company carried a CMS risk share return premium totaling \$3,978,489 and \$368,680 as of December 31, 2016 and 2015, respectively, based on the occurrence of actual costs being lower than the level estimated in the original bid submitted to CMS. The premium adjustment calculation is performed in the subsequent year based on a full year’s experience or in the event of the termination of a program, experience up to the date of such termination.

As of December 31, 2016 and 2015, the Company carried unearned premium reserves of \$72,222 and \$59,733, respectively.

Remittances and Items Not Allocated—In accordance with SSAP No. 67, Other Liabilities, a liability is reported for cash receipts that cannot be identified for a specific purpose, or for other reasons, cannot be applied to a specific premium billing account when received.

Premiums—Premiums are reflected in operations as earned on a pro-rata basis over the period of coverage. Premiums received in advance are reported as a liability. Premiums receivable, excluding government receivables, over 90 days old are nonadmitted.

Under the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 (collectively, the “ACA”), commercial health plans with medical loss ratios on fully insured products, as calculated as set forth in the ACA, that fall below certain targets are required to rebate ratable portions of their health premiums annually. The Company classifies the estimated rebates, if any, as an offset to premiums in the statutory-basis statements of operations. There were no estimated rebates accrued as of December 31, 2016 and 2015.

Health Care Services—The cost of health care services is recognized in the period in which services are provided and includes an estimate of the cost of services that have been incurred but not yet reported. Such costs include payments to primary care physicians, specialists, hospitals, and outpatient care facilities. The Company estimates the amount of the provision for service costs incurred but not reported using standard actuarial methodologies based upon historical data, including the period between the date services are rendered and the date claims are received and paid, denied claim activity, expected medical cost inflation, seasonality patterns, and changes in membership. The estimates for service costs incurred but not reported are made on an accrual basis and adjusted in future periods as required. Any adjustments to the prior-period estimates are included in the current period. Given the inherent variability of such estimates, the actual liability could differ significantly from the amounts provided. While the ultimate amount of claims and losses paid are dependent on future developments, management is of the opinion that the recorded claim liabilities are adequate to cover such costs.

The Company contracts with various medical groups to provide professional care to its members on either a fee-for-service or on a capitated, or fixed, per-member per-month (“PMPM”) fee basis. Capitation contracts generally include a provision for stop-loss and noncapitated services for which the Company is liable. Professional capitated contracts also generally contain provisions for shared risk, whereby the Company and the medical groups share in the variance between actual costs and predetermined goals. The Company assesses the profitability of contracts for providing health care services when operating results or forecasts indicate probable future losses. Contracts are grouped in a manner consistent with the method of determining premium rates. Losses are determined by comparing anticipated premiums to the total of health care related costs, less reinsurance recoveries, if any, and the cost of maintaining the contracts. Losses, if any, are recognized in the period the loss is determined. The Company anticipates investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 54, Individual and Group Accident and Health Contracts. As of December 31, 2016 and 2015, the Company reported premium deficiency reserves of \$19,178,679 and \$24,357,911, respectively.

NOTES TO FINANCIAL STATEMENTS

Medicare Part D—The Company offers the Medicare Part D benefit as a fully insured product to existing and new Medicare members. The Part D benefit consists of pharmacy benefits for Medicare beneficiaries. Part D renewal occurs annually, but it is not a guaranteed renewable product.

Part D offers two types of plans: Prescription Drug Plan ("PDP") and Medicare Advantage Plus Prescription Drug ("MAPD"). PDP covers only prescription drugs and can be combined with traditional Medicare, certain Medicare Advantage Plans or Medicare supplemental plans. MAPD covers both prescription drugs and medical care. The Company participates only in MAPD plans.

The Company has two primary contracts under Part D, one with the CMS and one with the Part D enrollees. The CMS contract covers the portions of the revenue and expenses that will be paid for by CMS. The enrollee contract covers the services to be performed by the Company for the premiums paid by the enrollees. The insurance contracts are directly underwritten with the enrollees, not CMS, and therefore, there is a direct insurance relationship with the enrollees. The premiums are received directly from the enrollees and from CMS for low-income subsidy members.

The recognition of the revenue and cost reimbursement components under Part D is described below:

CMS Premium Direct Subsidy—The Company receives a monthly premium from CMS based on an original bid amount. This payment for each individual is a fixed amount per member for the entire plan year and is based upon that individual's risk score status. The CMS premium is recognized evenly over the contract period and reported as part of premiums.

Member Premium—The Company receives a monthly premium from members based on the original bid submitted to CMS. The member premium, which is fixed for the entire plan year is recognized evenly over the contract period and reported as part of premiums.

Low-Income Premium Subsidy—For qualifying low-income members, CMS will reimburse the Company, on the member's behalf, some or all of the monthly member premium depending on the member's income level in relation to the Federal Poverty Level. The low-income premium subsidy is recognized evenly over the contract period and reported as part of premiums.

Catastrophic Reinsurance Subsidy—CMS will reimburse the Company for 80% of the drug costs after a member reaches his or her out-of-pocket catastrophic threshold of \$4,850 and \$4,700 for the years ended December 31, 2016 and 2015, respectively. The CMS prospective payment (a flat PMPM cost reimbursement estimate) is received monthly based on the original CMS bid. After the year is complete, a settlement is made based on actual experience. The catastrophic reinsurance subsidy is accounted for as deposit accounting.

Low-Income Member Cost Sharing Subsidy—For qualifying low-income members, CMS will reimburse the Company, on the member's behalf, some or all of a member's cost sharing amounts (e.g. deductible, co-pay/coinsurance). The amount paid for the member by CMS is dependent on the member's income level in relation to the Federal Poverty Level. The Company receives prospective payments on a monthly basis, and they represent a cost reimbursement that is finalized and settled after the end of the year. Low-income member cost sharing subsidy is accounted for as deposit accounting.

Coverage Gap Discount—The Medicare Coverage Gap Discount is a program that began in 2011, under which drug manufacturers are required to provide a 50% discount on brand name drugs purchased in the Medicare Part D coverage gap by non-LIS (Low Income Subsidy) Part D members. The amount of the discount is included in the accumulation of the members' out-of-pocket costs. Under the Medicare Coverage Gap Discount Program, the Company receives monthly prospective payments from CMS for advancing the gap discounts at the point of sale. CMS coordinates the collection of discount payments from pharmaceutical manufacturers and payments to the Company based on prescription drug event data.

CMS Risk Share—Premiums from CMS are subject to risk corridor provisions which compare costs targeted in the Company's annual bids to actual prescription drug costs, limited to actual costs that would have been incurred under the standard coverage as defined by CMS. Variances of more than 5% above or below the original bid submitted by the Company may result in CMS making additional payments to the Company or require the Company to refund to CMS a portion of the premiums the Company received. The Company estimates and recognizes an adjustment to premium revenues related to the risk corridor payment settlement based upon pharmacy claims experience. The estimate of the settlement associated with these risk corridor provisions requires the Company to consider factors that may not be certain, including member eligibility status differences with CMS. The risk-share adjustment, if any, is recorded as an adjustment to premiums.

Health care costs and general insurance expenses associated with Part D are recognized as the costs and expenses are incurred.

CMS Risk Factor Adjustments—The Company has an arrangement with CMS for certain of the Company's Medicare products whereby periodic changes in the Company's risk factor adjustment scores for certain diagnostic codes result in changes to the Company's premiums. The Company recognizes such changes when the amounts become determinable, supportable, and the collectibility is reasonably assured. Because the recorded revenue is based on the Company's best estimate at the time, the actual payment the Company receives from CMS for risk adjustment reimbursement settlements may be different than the amounts the Company has initially recognized in the statutory-basis financial statements. The change in estimate for the risk adjustment in the years ended December 31, 2016 and 2015 was not significant.

Claims Adjustment Expense—Claims adjustment expenses are expenses associated with case management activities, utilization review, disease management programs (collectively, "cost containment expenses"), and other claims adjustment expenses that are not cost containment expenses.

Stock Options—For the years ended December 31, 2016 and 2015, compensation expense included \$817,467 and \$779,042, respectively, for the Company's share of HNI's various stock option and long-term incentive plan expenses, and the tax benefit resulting from exercised stock options of \$0 and \$6,794, respectively, was reported as an increase in paid-in surplus consistent with SSAP No. 104, Share-Based Payments.

Use of Estimates—The preparation of statutory-basis financial statements in conformity with statutory accounting principles requires management to make estimates, including, but not limited to, determination of claim liabilities and reserves, and assumptions that affect the reported amounts of assets and liabilities, and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Health Insurer Fee —The Patient Protection and Affordable Care Act and The Health Care and Education Reconciliation Act of 2010 (collectively the "ACA") enacted significant reforms to various aspects of the U.S. health insurance industry, including the imposition of a health insurer fee on health insurers for each calendar year beginning on January 1, 2014, which is based on prior year premiums, and which is not deductible for tax purposes. In accordance with SSAP No. 35R, Guaranty Fund and Other Assessments, the liability related to the health insurer fee is estimated and recorded in full, once the entity provides qualifying health insurance in the applicable year in which the fee is payable (the "fee year"), with a corresponding entry to the operating expense category of General administrative expenses. In the calendar year immediately before the fee year (the "data year"), the Company reclassifies a monthly accrued amount for the estimated subsequent year fee assessment, from unassigned surplus to special surplus. On January 1 of the fee year, the data year amount recorded in special surplus is reversed and the full assessment liability is accrued. For the years ended December 31, 2016 and 2015, respectively, the Company incurred \$7,375,006 and \$6,158,037, as a Health insurer fee expense, related to the assessments paid in September.

Exchanges—The ACA requires the establishment of state-based or federally facilitated exchanges ("exchanges") where individuals and small groups may purchase health coverage under regulations established by U.S. Department of Health and Human Services ("HHS"). The Company did not participate in the exchange in the state of Oregon during the years of 2015–2016 but participated during the year 2014. For the year ended December 31, 2016 and 2015, the Company recorded an exchange user fee of \$0 and \$4,390, respectively. As of December 31, 2016 and 2015, the Company accrued an exchange user fee of \$0 and \$0, respectively.

Member Related Components—Member Premiums—The Company receives a monthly premium from members, that is fixed for the entire plan year, and which is recognized evenly over the contract period, as part of its reported premiums.

NOTES TO FINANCIAL STATEMENTS

Premium Subsidy—For qualifying low-income members, HHS will reimburse the Company, on the member's behalf, some, or all, of the monthly member premium, depending on the member's income level in relation to the Federal Poverty Level. The Company recognizes a premium subsidy, evenly over the contract period, as part of its reported premiums.

Cost Sharing Subsidy—For qualifying low-income members, HHS will reimburse the Company, on the member's behalf, some or all of a member's cost sharing amounts (e.g., deductible, co-pay/coinsurance). The amount paid for the member by HHS is dependent on the member's income level in relation to the Federal Poverty Level. The Cost Sharing Subsidy offsets health care costs when incurred. The Company records a liability if the Cost Sharing Subsidy is paid in advance or a receivable if incurred health care costs exceed the Cost Sharing Subsidy received to date. As of December 31, 2016 and 2015, the Company has incurred (\$39,348) and (\$25,591), of cost sharing subsidy offsetting health care cost and \$0 and \$103,540 of cost sharing receivable.

Risk Adjustment, Reinsurance and Risk Corridor Programs—Effective January 1, 2014, for those insurers participating inside, and in some cases outside, of the exchanges, the ACA designed the following premium stabilization provisions: (a) the permanent risk adjustment program, (b) the transitional reinsurance program and (c) the temporary risk corridor program. These programs impact the Company's accounting estimates. These programs are intended to mitigate some of the pricing risks, and for the lack of information surrounding the previously uninsured. Accordingly, there will be premium adjustments and health care costs adjustments, based on estimates related to these programs. Such estimated amounts may differ materially from actual amounts ultimately received or paid under these programs. Such significant changes in estimates may have a significant impact on the results of operations and financial condition of the Company.

Risk Adjustment—The risk adjustment program transfers funds from lower risk plans to higher risk plans within the same market in the same State in order to adjust premiums for adverse selection among carriers caused by membership shifts due to guarantee issue and community rating mandates.

The Company's estimate for the risk adjustment incorporates pricing and demographic assumptions, the distribution of newly enrolled membership in terms of geography, metal tiers, and age bands, and the estimated market averages of premium and risk scores. The Company considers information as it becomes available at interim dates, along with updated actuarially determined expectations.

Premiums are adjusted for the risk adjustment by projecting the ultimate premium for the calendar year separately for individual and group plans by state. Estimated calendar year settlement amounts are recognized ratably during the year and are revised each period to reflect current experience. The Company records receivables or payables at the individual or group level within each state. For the year ended December 31, 2016 and 2015, the risk adjustment estimate was \$5,147,423 and (\$955,856), respectively. The risk adjustment receivable was \$3,446,145 and \$1,263,799 as of December 31, 2016 and 2015, respectively.

Reinsurance—The transitional reinsurance program requires the Company to make reinsurance contributions for calendar years 2014 through 2016 to a state or HHS established reinsurance entity based on a national contribution rate per covered member as determined by HHS. While all commercial medical plans, including self-funded plans, are required to fund the reinsurance entity, only fully-insured non-grandfathered plans in the individual commercial market will be eligible for recoveries if individual claims exceed a specified threshold. For individual commercial plans, the Company accounts for the reinsurance contribution as ceded premium, the contribution earmarked for the U.S. Treasury as general administrative expense, any reinsurance recovery as ceded health care costs, with corresponding receivables or payables. The transitional reinsurance program fees for all other commercial plans, excluding individual plans, are recorded as general administrative expense. For the year ended December 31, 2016 and 2015, the transitional reinsurance program fees expense was \$562,627 and 3,711,104, the ceded premiums was \$18,828 and \$104,431, and the ceded health care costs estimate was \$670,280 and \$2,843,644 (\$1,694,793 and \$2,469,469 reinsurance recoverable receivable as of December 31, 2016 and 2015, respectively).

Risk Corridor—The temporary risk corridor provisions limit issuer gains and losses by comparing allowable medical costs to a target amount, each defined/prescribed by HHS, and sharing the risk for allowable costs with the federal government. Variances from the target exceeding certain thresholds may result in HHS making additional payments to the Company or require the Company to refund HHS a portion of the premiums received. The Company estimates and recognizes adjustments to premiums for the risk corridor provision by projecting the ultimate premium for the calendar year. Estimated calendar year settlement amounts are recognized ratably during the year and are revised each period to reflect current experience, including changes in risk adjustment and reinsurance recoverable. The Company records receivables or payables at the individual or group level within each state. For the year ended December 31, 2016 and 2015, the risk corridor premiums adjustment was (\$1,849,004) and \$837,802 (\$25,007 and \$42,078 accrued admitted retrospective premium receivable as of December 31, 2016 and 2015, respectively).

Note 2 – Accounting Changes and Corrections of Errors

None

Note 3 – Business Combinations and Goodwill

None

Note 4 – Discontinued Operations

None

Note 5 – Investments**A. Mortgage Loans, including Mezzanine Real Estate Loans**

None

B. Debt Restructuring

None

C. Reverse Mortgages

None

D. Loan-Backed Securities

(1) Significant changes in prepayment assumptions are accounted for using the prospective method, based upon prepayment assumptions obtained from independent publishers of such financial data, which are consistent with the current interest rate and economic environment.

(2) No other-than temporary impairments were recognized in 2016.

(3) No other-than temporary impairments were recognized in 2016.

NOTES TO FINANCIAL STATEMENTS

- (4) All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

a.	The aggregate amount of unrealized losses:	1.	Less than 12 Months	\$	(2,018,888)
		2.	12 Months or Longer	\$	(11,982)
b.	The aggregate related fair value of securities with unrealized losses:	1.	Less than 12 Months	\$	67,101,582
		2.	12 Months or Longer	\$	1,440,580

E. Repurchase Agreements and/or Securities Lending Transactions

None

F. Real Estate

None

G. Investments in Low-Income Housing Trade Credits (LIHTC)

None

H. Restricted Assets

(1) Restricted Assets (Including Pledged)

Restricted Asset Category	1 Total Gross Restricted from Current Year	2 Total Gross Restricted from Prior Year	3 Increase (Decrease) (1 minus 2)	4 Total Current Year Nonadmitted Restricted	5 Total Current Year Admitted Restricted (1 minus 4)	6 Gross (Admitted & Nonadmitted) Restricted to Total Assets (a)	7 Additional Restricted to Total Admitted Assets (b)
a. Subject to contractual obligation for which liability is not shown							
b. Collateral held under security lending arrangements							
c. Subject to repurchase agreements							
d. Subject to reverse repurchase agreements							
e. Subject to dollar repurchase agreements							
f. Subject to dollar reverse repurchase agreements							
g. Placed under option contracts							
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock							
i. FHLB capital stock							
j. On deposit with states	425,279	430,648	(5,369)		425,279	0.231	0.234
k. On deposit with other regulatory bodies							
l. Pledged as collateral to FHLB (including assets backing funding agreements)							
m. Pledged as collateral not captured in other categories							
n. Other restricted assets							
o. Total Restricted Assets	\$ 425,279	\$ 430,648	\$ (5,369)	\$	\$ 425,279	\$ 0.231	\$ 0.234

- (2) Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contracts that Share Similar Characteristics, Such as Reinsurance and Derivatives, are Reported in the Aggregate)

None

- (3) Detail of Other Restricted Assets (Contracts that Share Similar Characteristics, such as Reinsurance and Derivatives, are Reported in the Aggregate)

None

- (4) Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statements

None

I. Working Capital Finance Investments

None

J. Offsetting and Netting of Assets and Liabilities

None

NOTES TO FINANCIAL STATEMENTS

K. Structured Notes

None

L. 5* Securities

None

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

The Company does not invest in joint ventures, partnerships, or limited liability companies.

Note 7 – Investment Income

All investment income due and accrued, on the accompanying financial statements, was treated as an admitted asset, because there were no collection uncertainties.

Note 8 – Derivative Instruments

The Company does not invest in derivative financial statements.

Note 9 – Income Taxes

A. Components of deferred tax assets (DTAs) and deferred tax liabilities (DTLs)

(1) DTADTL Components	2016			2015			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Gross deferred tax assets	7,427,157	0	7,427,157	8,144,228	7,950	8,152,178	(1,717,071)	(7,940)	(1,725,011)
(b) Statutory valuation allowance adjustment (per se a*)	(7,427,157)	0	(7,427,157)	(8,144,228)	0	(8,144,228)	1,717,071	0	1,717,071
(c) Adjusted gross deferred tax assets	0	0	0	0	7,950	7,950	0	(7,940)	(7,940)
(d) Deferred tax assets nonadmitted	0	0	0	0	0	0	0	0	0
(e) Subtotal net admitted deferred tax asset	0	0	0	0	7,950	7,950	0	(7,940)	(7,940)
(f) Gross deferred tax liabilities	0	0	0	0	0	0	0	0	0
(g) Net admitted deferred tax asset (net deferred tax liability)	0	0	0	0	7,950	7,950	0	(7,940)	(7,940)

(2) Admission calculation components:

Admission calculation components SSAP No. 101 (f)(1)	2016			2015			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks	0	0	0	0	7,950	7,950	0	(7,940)	(7,940)
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From a. above) After Application of the Threshold Limitation (The Lesser of (i) and (ii) Below)	0	0	0	0	0	0	0	0	0
(c) Adjusted Gross Deferred Tax Assets Expected To Be Realized Following the Balance Sheet Date	NA	NA	NA	NA	NA	0	NA	NA	0
(d) Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	NA	NA	NA	NA	NA	0	NA	NA	0
(e) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From a. and b. above) Offset by Gross Deferred Tax Liabilities	0	0	0	0	0	0	0	0	0
(f) Deferred Tax Assets Admitted (as the result of application of SSAP No. 101 Table (a) - b + c)	0	0	0	0	7,950	7,950	0	(7,940)	(7,940)

(3) Used in (f)(1)

	2016 Percentage	2015 Percentage
(a) Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount	44%	36%
(b) Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation	\$9,691,249	\$8,076,552

(4) Impact of tax planning strategies

Description	2016		2015		Change	
	Ordinary	Capital	Ordinary	Capital	Ordinary	Capital
(a) Determination of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets (b) Tax Character As A Percentage						
(1) Adjusted Gross DTAs Amount From Note 9A (c)	0	0	0	7,950		(7,940)
(2) Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact of Tax Planning Strategies	0%	0%	0%	0%	0%	0%
(3) Net Admitted Adjusted Gross DTAs Amount From Note 9A (e)				7,950		(7,940)
(4) Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact of Tax Planning Strategies	0%	0%	0%	0%	0%	0%

B. Deferred tax liabilities that are not recognized:

None

C. Current tax and change in deferred tax:

(1) Current income taxes incurred consist of the following major components:

Description	December 31, 2016	December 31, 2015	Change
	(a) Current federal income tax expense	(16,472,253)		(13,029,154)	(3,443,099)
(b) Foreign taxes	0	0	0
(c) Subtotal	(16,472,253)	(13,029,154)	(3,443,099)
(d) Tax on capital gains/(losses)	3,702	16,544	(12,842)
(e) Utilization of capital loss carryforwards	0	0	0
(f) Other (including prior year underaccrual (overaccrual))	0	0	0
(g) Federal and foreign income taxes incurred	(16,468,551)	(13,012,610)	(3,455,941)

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities are as follows:

NOTES TO FINANCIAL STATEMENTS

(2) DTAs Resulting From Book/Tax Differences In		December 31, 2016	December 31, 2015	Change
(a) Ordinary				
(1)	Discounting of unpaid losses and LAE	126,219	135,267	(7,048)
(2)	Unearned premiums	193,627	272,569	(78,929)
(3)	Policyholder reserves	0	0	0
(4)	Investments	0	0	0
(5)	Deferred acquisition costs	0	0	0
(6)	Policyholder dividends accrued	0	0	0
(7)	Fixed assets	0	0	0
(8)	Compensation and benefit accruals	362,405	180,769	181,637
(9)	Pension accruals	0	0	0
(10)	Nonadmitted assets	0	0	0
(11)	Net operating loss carryforward	0	0	0
(12)	Tax credit carryforward	0	0	0
(13)	Premium deficiency reserve	6,712,538	8,525,269	(1,812,731)
(13)	Other	30,368	30,368	0
Gross ordinary DTAs		7,427,157	9,144,229	(1,717,071)
(b)	Statutory valuation adjustment - ordinary (-)	(7,427,157)	(9,144,229)	1,717,071
(c)	Nonadmitted ordinary DTAs (-)	0	0	0
Admitted ordinary DTAs		0	0	0
(e) Capital				
(1)	Investments	0	7,950	(7,950)
(2)	Net capital loss carryforward	0	0	0
(3)	Real estate	0	0	0
(4)	Other	0	0	0
Gross capital DTAs		0	7,950	(7,950)
(f)	Statutory valuation adjustment - capital (-)	0	0	0
(g)	Nonadmitted capital DTAs (-)	0	0	0
Admitted capital DTAs		0	7,950	(7,950)
(i)	Admitted DTAs	0	7,950	(7,950)
(3) DTLs Resulting From Book/Tax Differences In				
(a) Ordinary				
(1)	Investments	0	0	0
(2)	Fixed assets	0	0	0
(3)	Deferred and uncollected premiums	0	0	0
(4)	Policyholder reserves/salvage and subrogation	0	0	0
(5)	Other	0	0	0
Ordinary DTLs		0	0	0
(b) Capital				
(1)	Investments	0	0	0
(2)	Real estate	0	0	0
(3)	Other	0	0	0
Capital DTLs		0	0	0
(c)	DTLs	0	0	0
(4)	Net deferred tax assets/liabilities	0	7,950	(7,950)

The change in net deferred income taxes is comprised of the following (this analysis is exclusive of nonadmitted assets as the Change in Nonadmitted Assets is reported separately from the Change in Net Deferred Income Taxes in the surplus section of the Annual Statement).

	December 31, 2016	December 31, 2015	Change
Total deferred tax assets	7,427,157	9,152,178	(1,725,021)
Total deferred tax liabilities	0	0	0
Net deferred tax assets/liabilities	7,427,157	9,152,178	(1,725,021)
Statutory valuation allowance adjustment ("see explanation below")	(7,427,157)	(9,144,229)	1,717,071
Net deferred tax assets/liabilities after SVA	0	7,950	(7,950)
Tax effect of unrealized gains/(losses)	0	(7,950)	7,950
Statutory valuation allowance adjustment allocated to unrealized (-)	0	0	0
Change in net deferred income tax [(change)/benefit]	0	0	0

***Statutory valuation allowance**

A valuation allowance adjustment has been recognized at year end, as management does not believe its deferred tax assets are more likely than not realizable, based on the criteria established by SSAP 101.

D. Reconciliation of federal income tax rate to actual effective rate:

The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes. The significant items causing this difference are as follows:

Description	Amount	Tax Effect	Effective Tax Rate
Income Before Taxes	(48,311,285)	(16,908,950)	35.00%
Tax-Exempt Interest	(1,150,045)	(402,516)	0.83%
Change in Valuation Allowance		(1,717,071)	3.55%
Health Insurer Fee	7,375,006	2,581,252	-5.34%
Non deductible compensation	0	0	0.00%
Meals and Entertainment	45,571	15,950	-0.03%
Fines, Penalties, Other	(108,332)	(37,218)	0.08%
Total	(42,147,087)	(16,468,551)	34.09%
Federal income taxed incurred (expense)(benefit)		(16,472,253)	34.10%
Tax on capital gains(losses)		3,702	-0.01%
Change in net deferred income tax (charge)(benefit)		0	0.00%
Total statutory income taxes		(16,468,551)	34.09%

E. Carryforwards, recoverable taxes, and IRC §6603 deposits:

At December 31, 2016, the Company had net operating loss carryforwards expiring through the year 2035 of \$0.
 At December 31, 2016, the Company had capital loss carryforwards expiring through the year 2021 of \$0.
 At December 31, 2016, the Company had an AMT credit carryforwards, which does not expire, in the amount of \$0.

The following is income tax expense that is available for recoupment in the event of future net losses:

Year	Ordinary	Capital	Total
2014	NA	34,683	34,683
2015	0	16,544	16,544
2016	0	3,702	3,702
Total	0	54,929	54,929

NOTES TO FINANCIAL STATEMENTS

F. (1) The Company's Federal Income Tax return is consolidated with the following entities:

Foundation Health Facilities, Inc.
 FH Assurance Company
 FH Surgery Centers, Inc.
 FH Surgery Limited, Inc.
 Health Net of Arizona, Inc.
 Health Net of Arizona Administrative Services, Inc.
 Health Net of California, Inc.
 Health Net, Inc.
 Health Net Community Solutions, Inc.
 Health Net Community Solutions of Arizona, Inc.
 Health Net of California Real Estate Holdings, Inc.
 QualMed, Inc.
 Qualmed Plans for Health of Colorado, Inc.
 Health Net Life Insurance Company
 Health Net Life Reinsurance Company
 Health Net Health Plan of Oregon, Inc.
 Qualmed Plans for Health of Pennsylvania, Inc.
 National Pharmacy Services, Inc.
 Integrated Pharmacy Systems, Inc.
 HSI Advantage Health Holdings, Inc.
 QualMed Plans For Health of Western Pennsylvania, Inc.
 Pennsylvania Health Care Plan, Inc.
 Managed Health Network, Inc.
 MHN Services
 Managed Health Network
 MHN Services IPA, Inc.
 Catalina Behavioral Health Services, Inc.
 MHN Government Services, Inc.
 Health Net Pharmaceutical Services
 Health Net Services, Inc.
 Health Net One Payment Services, Inc.
 MHN Global Services, Inc.
 MHN Government Services - Belgium, Inc.
 MHN Government Services - Djibouti, Inc.
 MHN Government Services - Germany, Inc.
 MHN Government Services - Guam, Inc.
 MHN Government Services - Italy, Inc.
 MHN Government Services - Japan, Inc.
 MHN Government Services - Puerto Rico, Inc.
 MHN Government Services - International, Inc.
 MHN Government Services - Turkey, Inc.
 MHN Government Services - United Kingdom, Inc.
 Health Net Access, Inc.
 Absolute Total Care, Inc.
 Enolve Vision of Texas, Inc.
 (formerly known as AECC Total Vision Health Plan of Texas, Inc.)
 Bankers Reserve Life Insurance Company of Wisconsin
 Buckeye Community Health Plan, Inc.
 California Health & Wellness Plan
 CelliCare Health Plan of Massachusetts, Inc.
 Centipaco of Arizona, Inc.
 Coordinated Care Corporation
 Coordinated Care of Washington, Inc.
 Fidelity SecureCare of Michigan, Inc.
 Granite State Health Plan, Inc.
 Halmark Life Insurance Co.
 Home State Health Plan, Inc.
 IlliniCare Health Plan, Inc.
 Kentucky Spirit Health Plan, Inc.
 Louisiana Health Care Connections, Inc.
 Magnolia Health Plan, Inc.
 Managed Health Service Insurance Group
 Peach State Health, Inc.
 Sunflower State Health Plan, Inc.
 Sunshine State Health Plan, Inc.
 Superior Health Plan, Inc.
 Trillium Community Health Plan, Inc.

(2) The method of allocation between the companies is subject to written agreement, approved by the Board of Directors. Allocation is based upon separate return calculations with current credit for net losses. Intercompany tax balances are settled in accordance with the tax sharing agreement.

Note 10 – Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

As of December 31, 2016, all outstanding shares of the Company are owned by QualMed, Inc., which is a wholly owned subsidiary of Centene (CNC), a corporation incorporated in the State of Delaware.

On March 24, 2016, the acquisition of HNI, by Centene, a Delaware corporation, was consummated pursuant to the terms of the previously announced Agreement and Plan of Merger, dated as of July 2, 2015 (the Merger Agreement), by and among HNI, Centene, Chopin Merger Sub I, Inc., a Delaware corporation and wholly owned subsidiary of Centene (Merger Sub I), and Chopin Merger Sub II, Inc., a Delaware corporation and wholly owned subsidiary of Centene (Merger Sub II). First, Merger Sub I merged with and into HNI (the First Merger), with HNI as the surviving corporation (the First Surviving Corporation), and second, immediately after the consummation of the First Merger, the First Surviving Corporation merged with and into Merger Sub II, with Merger Sub II continuing as the surviving company under the name Health Net, Inc.

A-D, F. Transactions with Affiliates

The Company received administrative, financial, information systems, marketing, and operations services from its affiliates. In addition, the Company and certain of its affiliates purchase from each other health care coverage for the benefit of their employees. For the year ended December 31, 2016 and 2015, the Company incurred expenses of \$38,028,738 and \$29,436,747 respectively, including the claim adjustment expenses relating to pharmacy benefits and behavioral health services mentioned below. In addition, the Company charged affiliates \$3,115,304 and \$4,800,089 for the year ended December 31, 2016 and 2015, respectively, for services it provided. Balances associated with this agreement are settled within 30 days in the normal course of business.

NOTES TO FINANCIAL STATEMENTS

Pursuant to an agreement with MHN Services, Inc (MHN), the Company receives behavioral health claim administration and processing services in exchange for an administrative fee. Balances associated with this agreement are settled within 30 days in the normal course of business. The following is a summary of the Company's transactions related to its agreement with MHN Services, Inc.:

	<u>As of December 31, 2016</u>	<u>As of December 31, 2015</u>
Claims Payable	\$ 565,853	\$ 846,873

Pursuant to an affiliate agreement with Health Net Pharmaceutical Services, Inc. ("HNPS"), the Company receives prescription drug claims administration, formulary management and pharmaceutical rebate processing services, in exchange for an administrative fee. The administrative fee is settled within 30 days in the normal course of business. Prior to the issuance of checks for pharmaceutical claim payments, the Company remits cash to HNPS to fund the claim payments. Pharmaceutical rebates are remitted by HNPS to the Company, as they are collected from the drug manufacturers. The following is a summary of the Company's transactions related to its agreement with HNPS:

	<u>YTD December 31, 2016</u>	<u>YTD December 31, 2015</u>
HNPS claim adjustment expenses	\$ 3,146,439	\$ 2,180,463
Funds transferred for claim payments	97,464,186	74,455,401
Pharmaceutical Rebates recognized	14,923,867	9,146,757

	<u>As of December 31, 2016</u>	<u>As of December 31, 2015</u>
Health care receivables (rebates)	\$ 5,457,435	\$ 4,846,256
Nonadmitted rebates receivable	756,547	25,171

On August 9, 2010, the Company entered into a \$20 million affiliate loan agreement with Health Net, Inc. ("HNI"), after obtaining the permission of the Department of Consumer and Business Services. Under this agreement, HNI may loan amounts to the Company for working capital purposes. The loans bear interest at the prime rate of Bank of America, and are fully payable within forty-five days. There were no loans or related interest amounts payable as of December 31, 2016 and December 31, 2015. For the years ended December 31, 2016 and 2015, the Company recorded interest expense of \$0 and \$0 respectively, for amounts borrowed under this agreement. The Company borrowed and repaid an aggregate total of \$0 and \$0 of loans for the years ended December 31, 2016 and 2015, respectively. The aggregate outstanding loan amount, at any one time, did not exceed \$20,000,000.

The Company received capital contributions from its Parent Company as follows:

<u>Date Received</u>	<u>Amount Received</u>
December 30, 2016	\$ 15,000,000
August 15, 2016	15,000,000
June 30, 2016	32,000,000
December 24, 2015	22,000,000
September 29, 2015	15,000,000
June 30, 2015	10,000,000

The following admitted inter-company balances existed as of December 31, 2016 and December 31, 2015:

	<u>December 31, 2016</u>	<u>December 31, 2015</u>
Receivable from affiliates:		
Health Net Inc.	\$1,216,525	\$0
MHN Services	790,047	
Health Net Life Insurance Company	-	213,927
Health Net Pharmaceutical Services	2,604,700	2,089,017
Other affiliates	117,923	34,564
Total Gross Receivables (Excluding Federal Taxes)	\$4,729,195	\$2,337,508
Total Non-admitted Receivables		
Total Admitted Receivables	4,729,195	2,337,508
Federal income tax recoverable From Health Net, Inc. (current)	\$10,122,682	\$0
Net deferred tax asset	0	7,950
Non-admitted	0	0
Total Admitted Federal Income Tax Recoverable	\$10,122,682	\$7,950
Payable to affiliates:		
Health Net of California, Inc.	\$932,132	\$692,619
Health Net, Inc.	0	548,281
Health Net of Arizona, Inc.	251,986	0
Other affiliates	138,465	298,872
Total Gross Payables (Excluding Federal Taxes)	\$1,322,583	\$1,539,772
Federal income tax payable to Health Net, Inc.	\$0	\$0

NOTES TO FINANCIAL STATEMENTS

E. Guarantees

None

G. – L. Investment in Parent, Subsidiaries or Affiliates

The Company does not hold any direct or indirect investment in its Parent, subsidiaries, controlled or affiliated companies and did not recognize any impairment write down for any investments in subsidiaries, controlled or related or liabilities.

M. All SCA Investments

None

(1) Balance Sheet Value (Admitted and Nonadmitted) All SCAs (Except 8b(i) Entities)

SCA Entity	Percentage of SCA Ownership	Gross Amount	Admitted Amount	Nonadmitted Amount
a. SSAP No. 97 8a Entities	%			
Total SSAP No. 97 8a Entities	XXX	\$	\$	\$
b. SSAP No. 97 8b(ii) Entities	%			
Total SSAP No. 97 8b(ii) Entities	XXX	\$	\$	\$
c. SSAP No. 97 8b(iii) Entities	%			
Total SSAP No. 97 8b(iii) Entities	XXX	\$	\$	\$
d. SSAP No. 97 8b(iv) Entities	%			
Total SSAP No. 97 8b(iv) Entities	XXX	\$	\$	\$
e. Total SSAP No. 97 8b Entities (exception 8b(i) entities) (b + c + d)	XXX	\$	\$	\$
f. Aggregate Total (a + e)	XXX	\$	\$	\$

(2) NAIC Filing Response Information

SCA Entity (Should be the same entities as shown in M(1) above)	Type of NAIC Filing*	Date of Filing to the NAIC	NAIC Valuation Amount	NAIC Response Received Y/N	NAIC Disallowed Entities Valuation Method Resubmission Required Y/N	Code**
a. SSAP No. 97 8a Entities						
Total SSAP No. 97 8a Entities	XXX	XXX	\$	XXX	XXX	XXX
b. SSAP No. 97 8b(ii) Entities						
Total SSAP No. 97 8b(ii) Entities	XXX	XXX	\$	XXX	XXX	XXX
c. SSAP No. 97 8b(iii) Entities						
Total SSAP No. 97 8b(iii) Entities	XXX	XXX	\$	XXX	XXX	XXX
d. SSAP No. 97 8b(iv) Entities						
Total SSAP No. 97 8b(iv) Entities	XXX	XXX	\$	XXX	XXX	XXX
e. Total SSAP No. 97 8b Entities (exception 8b(i) entities) (b + c + d)	XXX	XXX	\$	XXX	XXX	XXX
f. Aggregate Total (a + e)	XXX	XXX	\$	XXX	XXX	XXX

* S1 – Sub-1, S2 – Sub-2 or RDF – Resubmission of Disallowed Filing

** I – Immaterial or M – Material

N. Investment in Insurance SCAs

(1) None

(2) None

SCA Entity (Investments in Insurance SCA Entities)	Monetary Effect on NAIC SAP		Amount of Investment	
	Net Income Increase (Decrease)	Surplus Increase (Decrease)	Per Audited Statutory Equity	If the Insurance SCA Had Completed Statutory Financial Statements*
	\$	\$	\$	\$

* Per AP&P Manual (without permitted or prescribed practices)

(3) None

Note 11 – Debt

On August 9, 2010, the Company entered into a \$20 million affiliate loan agreement with Health Net, Inc. ("HNI"), after obtaining the permission of the Department of Consumer and Business Services. Under this agreement, HNI may loan amounts to the Company for working capital purposes. The loans bear interest at the prime rate of Bank of America, and are fully payable within forty-five days. There were no loans or related interest amounts payable as of December 31, 2016 and December 31, 2015. For the year ended December 31, 2016 and 2015, the Company recorded interest expense of \$0 and \$0, respectively, for amounts borrowed under this agreement. The Company borrowed and repaid an aggregate total of \$0 and \$0 of loans for the years ended December 31, 2016 and 2015, respectively. The aggregate outstanding loan amount, at any one time, did not exceed \$20,000,000.

**HEALTH NET HEALTH PLAN OF OREGON, INC.
NOTES TO FINANCIAL STATEMENTS**

(4) Borrowing from FHLB

None

c. FHLB – Prepayment Obligations

	Does the Company have Prepayment Obligations under the Following Arrangements (YES/NO)
1. Debt	NO
2. Funding Agreements	NO
3. Other	NO

Note 12 – Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

A. Defined Benefit Plan

The Company sponsors non-contributory defined benefit plans covering U.S. employees. As of December 31, 2016, the Company accrued in accordance with actuarially determined amounts with an offset to the pension cost accrual for the incremental asset amortization.

(1)	Change in Benefit Obligation	Overfunded		Underfunded	
		2016	2015	2016	2015
a.	Pension Benefits	2016	2015	2016	2015
1.	Benefit obligation at beginning of year	\$	\$	\$	\$
2.	Service cost				
3.	Interest cost				
4.	Continuation by plan participants				
5.	Actuarial gain (loss)				
6.	Foreign currency exchange rate changes				
7.	Benefits paid				
8.	Plan amendments				
9.	Business combinations, divestitures, curtailments, settlements and special termination benefits				
10.	Benefit obligation at end of year	\$	\$	\$	\$
b.	Postretirement Benefits	2016	2015	2016	2015
1.	Benefit obligation at beginning of year	\$	\$	\$ 120,967	\$ 135,658
2.	Service cost				
3.	Interest cost			1,745	3,542
4.	Continuation by plan participants				
5.	Actuarial gain (loss)			(60,976)	182
6.	Foreign currency exchange rate changes				
7.	Benefits paid			11,132	18,415
8.	Plan amendments				
9.	Business combinations, divestitures, curtailments, settlements and special termination benefits				
10.	Benefit obligation at end of year	\$	\$	\$ 50,604	\$ 120,967
c.	Special or Contractual Benefits per SSAP No. 11	2016	2015	2016	2015
1.	Benefit obligation at beginning of year	\$	\$	\$	\$
2.	Service cost				
3.	Interest cost				
4.	Continuation by plan participants				
5.	Actuarial gain (loss)				
6.	Foreign currency exchange rate changes				

NOTES TO FINANCIAL STATEMENTS

7.	Benefits paid				
8.	Plan amendments				
9.	Business combinations, divestitures, curtailments, settlements and special termination benefits				
10.	Benefit obligation at end of year	\$	\$	\$	\$

(2)

Change in plan assets	Pension Benefits		Postretirement Benefits		Special or Contractual Benefits per SSAP No. 11	
	2016	2015	2016	2015	2016	2015
a. Fair value of plan assets at beginning of year	\$	\$	\$	\$	\$	\$
b. Actual return on plan assets						
c. Foreign currency exchange rate changes						
d. Reporting entity contribution			11,132	18,415		
e. Plan participants' contributions						
f. Benefits paid			11,132	18,415		
g. Business combinations, divestitures and settlements						
h. Fair value of plan assets at end of year	\$	\$	\$	\$	\$	\$

(3)

Funded status	Pension Benefits		Postretirement Benefits	
Overfunded:	2016	2015	2016	2015
a. Assets (nonadmitted)				
1. Prepaid benefit costs	\$	\$	\$	\$
2. Overfunded plans assets				
3. Total assets (nonadmitted)	\$	\$	\$	\$
Underfunded:				
b. Liabilities recognized				
1. Accrued benefits costs	\$	\$	\$ 9,079	\$ 18,145
2. Liability for pension benefits			41,525	102,822
3. Total liabilities recognized	\$	\$	\$ 50,604	\$ 120,967
c. Unrecognized liabilities	\$	\$	\$	\$

(4)

Components of net periodic benefit cost	Pension Benefits		Postretirement Benefits		Special or Contractual Benefits per SSAP No. 11	
	2016	2015	2016	2015	2016	2015
a. Service cost	\$	\$	\$	\$	\$	\$
b. Interest cost			1,745	3,542		
c. Expected return on plan assets						
d. Transition asset or obligation						
e. Gains and losses			(5,211)	(23,864)		
f. Prior service cost or credit						
g. Gain or loss recognized due to a settlements curtailment						
h. Total net periodic benefit cost	\$	\$	\$ (3,466)	\$ (20,322)	\$	\$

(5)

Amounts in unassigned funds (surplus) recognized as components of net periodic benefit cost	Pension Benefits		Postretirement Benefits	
	2016	2015	2016	2015
a. Items not yet recognized as a	\$	\$	\$	\$

NOTES TO FINANCIAL STATEMENTS

	component of net periodic cost – prior year				
b.	Net transition asset or obligation recognized				
c.	Net prior service cost or credit arising during the period				
d.	Net prior service cost or credit recognized				
e.	Net gain and loss arising during the period			60,976	(182)
f.	Net gain and loss recognized			(5,211)	(23,864)
g.	Items not yet recognized as a component of net periodic cost – current year	\$	\$	\$ 55,765	\$ (24,046)
(6)	Amounts in unassigned funds (surplus) expected to be recognized in the next fiscal year as components of net periodic benefit cost	Pension Benefits		Postretirement Benefits	
		2016	2015	2016	2015
a.	Net transition asset or obligations	\$	\$	\$	\$
b.	Net prior service cost or credit				
c.	Net recognized gains and losses	\$	\$	\$ 60,976	\$ (182)
(7)	Amounts in unassigned funds (surplus) that have not yet been recognized as components of net periodic benefit cost	Pension Benefits		Postretirement Benefits	
		2016	2015	2016	2015
a.	Net transition asset or obligations	\$	\$	\$	\$
b.	Net prior service cost or credit				
c.	Net recognized gains and losses	\$	\$	\$ 60,976	\$ (182)

(8)	Weighted-average assumptions used to determine net periodic benefit cost as of December 31	2016	2015
a.	Weighted-average discount rate	2.500%	2.800%
b.	Expected long-term rate of return on plan assets	%	%
c.	Rate of compensation increase	%	%
	Weighted-average assumptions used to determine projected benefit obligations as of December 31		
d.	Weighted-average discount rate	%	%
e.	Rate of compensation increase	%	%

For measurement purposes, a 6.5% annual rate of increase in the per capita cost of covered health care benefits was assumed for 2016. The rate was assumed to decrease gradually to 5.0% for 2016 and remain at that level thereafter.

(9)	The amount of the accumulated benefit obligation for defined benefit pension plans was \$50,604 for the current year and \$120,967 for the prior year.		
(10)	Assumed health care cost trend rates have a significant effect on the amounts reported for the Plan. A one-percentage-point change in assumed health care cost trend rates would have the following effects for the year ended December 31, 2016:		
(11)	Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage point change in assumed health care cost trend rates would have the following effects:	1 Percentage Point Increase	1 Percentage Point Decrease
a.	Effect on total of service and interest cost components	\$ 75	\$ (70)
b.	Effect on postretirement benefit obligation	\$ 3,714	\$ (3,521)

(12) The following estimated future payments, which reflect expected future service, as appropriate, are expected to be paid in the year indicated:

	Year(s)	Amount
a.	2017	\$ 9,000
b.	2018	\$ 8,000
c.	2019	\$ 7,000
d.	2020	\$ 7,000
e.	2021	\$ 6,000
f.	2022 through 20__	\$ 16,000

(13) The Company does not have any regulatory contribution requirements.

(14) The Company does not have plan assets.

NOTES TO FINANCIAL STATEMENTS

- (15) The Company does not utilize alternative method to amortize prior service amounts or net gains and losses.
- (16) The Company does not have substantive commitment, such as past practice or a history of regular benefit increases, used as the basis for accounting for the benefit obligation.
- (17) The Company does not have cost of providing special or contractual termination benefits recognized during the period.
- (18) The Company does not have significant change in the benefit obligation or plan assets not otherwise apparent in the other disclosures.
- (19) The Company does not have plan assets.
- (20) The accumulated postretirement benefit obligation and fair value of plan assets is as follows:

	2016	2015
Projected Benefit Obligation	\$ (50,604)	\$ (120,967)
Accumulated benefit obligation	\$ 50,604	\$ 120,967
Plan Asset - Fair Value	\$	\$
Funded Status	\$ -	\$ -
Items not yet recognized as a component of net periodic cost:		
Prior Service Cost	\$	\$
Net Loss	\$	\$

- (21) Amounts recognized in unassigned surplus are as follows:

	2016	2015
Prior service benefit (cost)	\$ -	\$ -
Net gain (loss)	\$ 60,976	\$ (182)
Amortization of net gain or (loss)	\$ (5,211)	\$ (23,864)
Change in unassigned surplus before tax expense (benefit)	\$ 55,765	\$ (24,046)
Tax expense (benefit)	\$ 60,185	\$ (9,282)
Change in unassigned surplus after tax expense (benefit)	\$ (4,420)	\$ (14,764)

B. Investment Policies and Strategies

The Company has no plan assets.

C. Fair Value of Plan Assets

The Company has no plan assets.

D. Basis Used to Determine Expected Long-Term Rate-of-Return

The Company has no plan assets.

E. Defined Contribution Plans

None

F. Multiemployer Plans

None

G. Consolidated/Holding Company Plans

The Company sponsors, through HNI, defined contribution retirement plans intended to qualify under Sections 401(a) and 401(k) of the Internal Revenue Code (the "Code") of 1986, as amended. Participation in the plans is available to substantially all employees who meet certain eligibility requirements and elect to participate. Employees may contribute up to the maximum limits allowed by Section 401(k) of the Code, with the Company's contributions based on matching or other formulas. The Company's expense under the plans totaled \$313,645 and \$282,130 for the years ended December 31, 2016 and 2015, respectively.

H. Postemployment Benefits and Compensated Absences

None

I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)

None

Note 13 – Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

- The Company's authorized capital consists of 5,000 shares of no-par value common stock, of which 1,000 shares are issued and outstanding.
- The Company has no preferred capital stock authorized and outstanding.
- Under the Oregon Insurance Code, unless otherwise approved by the Director of the Department, dividends to shareholders may be declared and paid only from earned surplus. Aggregate dividends or other distributions in any consecutive twelve-month period may not exceed the greater of: (a) ten percent of capital and surplus as of the 31st day of December immediately preceding or (b) net income for the twelve-month period ending the 31st day of December immediately preceding. Based on the foregoing, ordinary dividends to shareholders in 2017 are limited to \$0, however, in no event may a dividend be declared or paid that

NOTES TO FINANCIAL STATEMENTS

would reduce capital and surplus below the required minimum net worth set forth in the Oregon Insurance Code. Please refer to Note 10 for further disclosure regarding dividend payments for the years ended December 31, 2016 and 2015, respectively.

4. The company did not pay any dividend in 2016 or 2015.
5. Within the limitations of paragraph 3 from above, there are no restrictions placed on the portion of the Company's profits that may be paid as ordinary dividends to shareholders.
6. There were no restrictions placed on the Company's unassigned surplus, including for whom the surplus is being held.
7. The Company is not a mutual company. There were no advances to surplus.
8. No stocks of the Company or other affiliates are being held for special purposes, such as for conversions of preferred stock, employee stock options or stock purchase warrants.
9. For the years ended December 31, 2016 and 2015, the Company recognized Health insurer fee expense related to the assessments paid in September of \$7,375,006 and \$6,158,037, respectively.
10. No portion of the unassigned funds (surplus) were represented or reduced by cumulative unrealized gains and losses as of December 31, 2015 and 2014, respectively.
11. The Company had no surplus notes.
12. The Company did not undergo a restatement in a quasi reorganization.
13. The Company had no quasi-reorganization as of December 31, 2016 and 2015, respectively.

Note 14 – Liabilities, Contingencies and Assessments**A. Contingent Commitments**

None

B. Assessments

The Company is not subject to assessment by any guaranty association; however it is subject to assessment by a mandatory specific medical condition pool. The Oregon Medical Insurance Pool (OMIP) Board provides comprehensive medical benefit coverage for individuals who have been denied medical insurance coverage due to a medical condition and have no access to commercial portability coverage. The Company reported assessment expenses of \$11,550 and \$94,775 for the year ended December 31, 2016 and 2015, respectively. As of December 31, 2016 and December 31, 2015, respectively, the Company reported assessment liabilities of \$0 for the OMIP.

C. Gain Contingencies

The Company has no gain contingencies to disclose as of December 31, 2016 and December 31, 2015, respectively.

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits

None

E. Joint and Several Liabilities

None

F. All Other Contingencies

Overview—The Company records reserves and accrues costs for certain legal proceedings and regulatory matters to the extent that it determines an unfavorable outcome is probable and the amount of the loss can be reasonably estimated. While such reserves and accrued costs reflect the Company's best estimate of the probable loss for such matters, the Company's recorded amounts may differ materially from the actual amount of any such losses. In some cases, no estimate of the possible loss or range of loss in excess of amounts accrued, if any, can be made because of the inherently unpredictable nature of legal and regulatory proceedings, which may be exacerbated by various factors, including but not limited to that they may involve indeterminate claims for monetary damages or may involve fines, penalties or punitive damages; present novel legal theories or legal uncertainties; involve disputed facts; represent a shift in regulatory policy; involve a large number of parties, claimants or regulatory bodies; are in the early stages of the proceedings; involve a number of separate proceedings, each with a wide range of potential outcomes; or result in a change of business practices. Further, there may be various levels of judicial review available to the Company in connection with any such proceeding in the event damages are awarded or a fine or penalty is assessed. As of the date of this report, amounts accrued for legal proceedings and regulatory matters were not material. However, it is possible that in a particular quarter or annual period the Company's financial condition, results of operations, cash flow and/or liquidity could be materially adversely affected by an ultimate unfavorable resolution of or development in legal and/or regulatory proceedings, depending, in part, upon the Company's financial condition, results of operations, cash flow or liquidity in such period, and the Company's reputation may be adversely affected. Management believes that the ultimate outcome of any of the regulatory and legal proceedings that are currently pending against the Company should not have a material adverse effect on the Company's financial condition, results of operations, cash flow and liquidity.

Miscellaneous Proceedings—In the ordinary course of its business operations, the Company is subject to periodic reviews, investigations and audits by various federal and state regulatory agencies, including, without limitation the Centers for Medicare & Medicaid Services, the Office of Civil Rights of the U.S. Department of Health and Human Services and state departments of insurance, with respect to its compliance with a wide variety of rules and regulations applicable to its business, including, without limitation, the Health Insurance Portability and Accountability Act of 1996, rules relating to pre-authorization penalties, payment of out-of-network claims, timely review of grievances and appeals, and timely and accurate payment of claims, any one of which may result in remediation of certain claims, contract termination, the loss of licensure or the right to participate in certain programs or other sanctions, and the assessment of regulatory fines or penalties, which could be substantial. From time to time, the Company receives subpoenas and other requests for information from, and is subject to investigations by, such regulatory agencies, as well as from state attorneys general. There also continues to be heightened review by regulatory authorities of, and increased litigation regarding, the health care industry's business practices, including, without limitation, information privacy, premium rate increases, utilization management, appeal and grievance processing, rescission of insurance coverage and claims payment practices, including under state and federal false claims laws.

In addition, in the ordinary course of its business operations, the Company is party to various other legal proceedings from time to time, which may include, without limitation, litigation arising out of its general business activities, such as contract disputes, tax matters, employment litigation, wage and hour claims, including, without limitation, cases involving allegations of misclassification of employees and/or failure to pay for off-the-clock work, real estate-related claims,

NOTES TO FINANCIAL STATEMENTS

intellectual property claims, claims brought by members or providers seeking coverage or additional reimbursement for services allegedly rendered to its members, but which allegedly were denied, underpaid, not timely paid or not paid, claims for failure to maintain adequate provider directories and claims arising out of the acquisition or divestiture of various business units or other assets. From time to time, the Company is also subject to claims relating to the performance of contractual obligations to providers, members, employer groups and others, which may include, without limitation, the alleged failure to properly pay claims and challenges to the manner in which the Company processes claims, and claims alleging that the Company has engaged in unfair business practices and claims related to the payment of taxes, including but not limited to claims that may have retroactive application. In addition, the Company from time to time is subject to claims relating to information security incidents and breaches, reinsurance agreements, rescission of coverage and other types of insurance coverage obligations and claims relating to the insurance industry in general. In the Company's role as a federal and state government contractor, the Company is, and may be in the future, subject to qui tam litigation brought by individuals who seek to sue on behalf of the government for violations of, among other things, state and federal false claims laws. The Company is, or may be in the future, subject to class action lawsuits brought against various managed care organizations and other class action lawsuits.

The Company intends to vigorously defend itself against the miscellaneous legal and regulatory proceedings to which it is currently a party; however, these proceedings are subject to many uncertainties. In some of the cases pending against the Company, substantial non-economic or punitive damages are being, or may in the future be, sought.

Potential Settlements—The Company regularly evaluates legal proceedings and regulatory matters pending against it to determine if settlement of such matters would be in the best interests of the Company and its stockholders. The costs associated with any settlement of the various legal proceedings and regulatory matters to which the Company is or may be subject from time to time could be substantial and, in certain cases, could result in a significant earnings charge in any particular quarter in which the Company enters into a settlement agreement and could have a material adverse effect on the Company's financial condition, results of operations, cash flow and/or liquidity and may affect its reputation.

Note 15 – Leases**A. Lessee Operating Lease**

- (1) The Company leases administrative facilities under an operating lease agreement that expires August 31, 2021. Rental expenses incurred totaled \$835,474 and \$835,474 for the years ended December 31, 2016 and 2015, respectively. Of these amounts, \$581,542 and \$436,078 were reported as claims adjustment expenses.

The Company's operating lease does not provide for purchase options or escalation clauses. Additionally, it does not impose restrictions, such as those concerning dividends, additional debt or further leasing, on the Company's part.

(2)

a. At January 1, 2017 the minimum aggregate rental commitments are as follows:		
	Year Ending December 31	Operating Leases
1.	2017	\$ 903,286
2.	2018	\$ 930,442
3.	2019	\$ 958,395
4.	2020	\$ 987,194
5.	2021	\$ 673,710
6.	Total	\$ 4,453,027

- (3) The Company is not involved in any sales-leaseback transactions.

B. Revenue, Net Income or Assets with Respect to Leases

None

Note 16 – Information About Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

None

Note 17 – Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**A. Transfers of Receivables Reported as Sales**

None

B. Transfer and Servicing of Financial Assets

None

C. Wash Sales

None

Note 18 – Gain or Loss to the Reporting Entity from Uninsured Plans and the Portion of Partially Insured Plans**A. ASO Plans**

None

B. ASC Plans

None

C. Medicare or Similarly Structured Cost Based Reimbursement Contract

Revenue from the Company's Medicare Contract for the year 2016 consisted of \$271,791,500 for medical and hospital related services.

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2016, the Company has recorded premium receivables from CMS in the amount of \$638,324.

The Company has incurred \$39,348 of cost sharing subsidy offsetting health care cost for the year of 2015 and \$0 of cost sharing receivable as of December 31, 2015.

Note 19 – Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

Name and Address of Managing General Agent or Third Party Administrator	FEIN Number	Exclusive Contract	Types of Business Written	Types of Authority Granted	Total Direct Premiums Written/Produced By
	XXX	XXX	XXX	XXX	\$
Total					\$

Note 20 – Fair Value Measurements

A. A. The Company does not have assets measured and reported at fair value in the statement of financial position.

(1) Fair Value Measurements at Reporting Date

Assets at Fair Value		Level 1	Level 2	Level 3	Total
		\$	\$	\$	\$
Total		\$	\$	\$	\$

Liabilities at Fair Value		Level 1	Level 2	Level 3	Total
		\$	\$	\$	\$
Total		\$	\$	\$	\$

(2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy

a. Assets	Beginning Balance at 1/1/2016	Transfers Into Level 3	Transfers Out of Level 3	Total Gains and (Losses) Included in Net Income	Total Gains and (Losses) Included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

b. Liabilities	Beginning Balance at 1/1/2016	Transfers Into Level 3	Transfers Out of Level 3	Total Gains and (Losses) Included in Net Income	Total Gains and (Losses) Included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

B. The Company does not have assets measured and reported at fair value in the statement of financial position.

C. The aggregate fair value of financial instruments.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
BONDS	\$ 120,812,992	\$ 121,888,228	\$ 1,283,904	\$ 119,529,088	\$	\$

As of December 31, 2016 the Company's long term bond investments are all reported at amortized cost. Estimated fair values are classified and disclosed in one of the following categories:

Level 1—Quoted prices are available in active markets for identical investments as of the reporting date. Investments included in Level 1 consist entirely of U.S. Treasury securities

Level 2—Most of the bond fair values fall in this category. For this pricing level inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models and/or other valuation methodologies which are based on an income approach. Examples include, but are not limited to, multidimensional relational model, option adjusted spread model, and various matrices. Specific pricing inputs include quoted prices for similar securities in both active and non-active markets, other observable inputs such as interest rates, yield curve volatilities, default rates, and inputs that are derived principally from or corroborated by other observable market data.

Level 3—The Company have no bond fair values in this category. For this pricing level inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation using assumptions that market participants would use, including assumptions for risk.

D. Not Practicable to Estimate Fair Value

Type of Class or Financial Instrument	Carrying Value	Effective Interest Rate	Maturity Date	Explanation
	\$	%		

Note 21 – Other Items

A. Unusual or Infrequent Items

None

B. Troubled Debt Restructuring Debtors

None

C. Other Disclosures

A security and certificate of deposit in the amounts of \$275,279 and \$150,000, respectively, were on deposit as of December 31, 2016 as required by the Insurance Code of Oregon and Washington respectively.

NOTES TO FINANCIAL STATEMENTS

- D. Business Interruption Insurance Recoveries
None
- E. State Transferable and Non-Transferable Tax Credits
None
- F. Subprime Mortgage Related Risk Exposure
None
- G. Retained Assets
None
- H. Insurance-Linked Securities (ILS) Contracts
None

Note 22 – Events Subsequent

Effective on January 1, 2014, the Company became subject to an annual fee under section 9010 of the Affordable Care Act (ACA), which is not tax deductible. This annual fee will be allocated to individual health insurers based on the ratio of the amount of the Entity's net premiums written during the preceding calendar year to the amount of health insurance for any United States health risk that is written during the preceding calendar year. A health insurance entity's portion of the annual fee becomes payable once the entity provides health insurance for any United States health risk for each calendar year beginning on or after January 1, 2014. As of December 31, 2016, the Company has written health insurance subject to the ACA assessment, expects to conduct health insurance business in 2016. The Company's estimated portion of the annual health insurance industry fee to be payable on September 30, 2017, and the expected impact to RBC are as follows:

A.	Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act (YES/NO)?		Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
B.	ACA fee assessment payable for the upcoming year	\$	\$	7,200,000
C.	ACA fee assessment paid		7,375,006	6,158,037
D.	Premium written subject to ACA 9010 assessment		501,850,705	413,241,974
E.	Total adjusted capital before surplus adjustment (Five-Year Historical Line 14)		99,661,246	
F.	Total adjusted capital after surplus adjustment (Five-Year Historical Line 14 minus 22B above)		99,661,246	
G.	Authorized control level (Five-Year Historical Line 15)	\$	22,172,885	
H.	Would reporting the ACA assessment as of December 31, 2016 have triggered an RBC action level (YES/NO)?		Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

Note 23 – Reinsurance

- A. Ceded Reinsurance Report

The transitional reinsurance program requires the Company to make reinsurance contributions for calendar years 2014 through 2016 to a state or HHS established reinsurance entity based on a national contribution rate per covered member as determined by HHS. While all commercial medical plans, including self-funded plans, are required to fund the reinsurance entity, only fully-insured non-grandfathered plans in the individual commercial market will be eligible for recoveries if individual claims exceed a specified threshold. For individual commercial plans, the Company accounts for the reinsurance contribution as ceded premium, the contribution earmarked for the U.S. Treasury as general administrative expense, any reinsurance recovery as ceded health care costs, with corresponding receivables or payables. The transitional reinsurance program fees for all other commercial plans, excluding individual plans, are recorded as general administrative expense. For the year ended December 31, 2016, the transitional reinsurance program fees expense was \$562,627 and \$3,711,104, the ceded premiums was \$18,828 and \$104,430, and the ceded health care costs estimate was \$670,280 and \$2,843,644 (\$1,694,793 reinsurance recoverable receivable as of December 31, 2016).

- B. Uncollectible Reinsurance
None
- C. Commutation of Ceded Reinsurance
None
- D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation
None

Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination

- A. The Company estimates accrued retrospective premium adjustments for its group health insurance business through a mathematical approach using an algorithm of the company's underwriting rules and experience rating practices.
- B. The Company records accrued retrospective premium as an adjustment to earned premium.
- C. Premiums related to the MAPD contracts with CMS, are subject to retrospective rating, and accounted for \$271,791,500 and \$199,418,562, or 53.7% and 47.6%, of total premiums for the years ended December 31, 2016 and 2015, respectively

Medicare Part D—The Company offers the Medicare Part D benefit as a fully insured product to existing and new Medicare members. The Part D benefit consists of pharmacy benefits for Medicare beneficiaries. Part D renewal occurs annually, but it is not a guaranteed renewable product.

NOTES TO FINANCIAL STATEMENTS

Part D offers two types of plans: Prescription Drug Plan ("PDP") and Medicare Advantage Plus Prescription Drug ("MAPD"). PDP covers only prescription drugs and can be combined with traditional Medicare, certain Medicare Advantage Plans or Medicare supplemental plans. MAPD covers both prescription drugs and medical care. The Company participates only in MAPD plans.

The Company has two primary contracts under Part D, one with the CMS and one with the Part D enrollees. The CMS contract covers the portions of the revenue and expenses that will be paid for by CMS. The enrollee contract covers the services to be performed by the Company for the premiums paid by the enrollees. The insurance contracts are directly underwritten with the enrollees, not CMS, and therefore, there is a direct insurance relationship with the enrollees. The premiums are received directly from the enrollees and from CMS for low-income subsidy members.

The recognition of the revenue and cost reimbursement components under Part D is described below:

CMS Premium Direct Subsidy—The Company receives a monthly premium from CMS based on an original bid amount. This payment for each individual is a fixed amount per member for the entire plan year and is based upon that individual's risk score status. The CMS premium is recognized evenly over the contract period and reported as part of premiums.

Member Premium—The Company receives a monthly premium from members based on the original bid submitted to CMS. The member premium, which is fixed for the entire plan year is recognized evenly over the contract period and reported as part of premiums.

Low-Income Premium Subsidy—For qualifying low-income members, CMS will reimburse the Company, on the member's behalf, some or all of the monthly member premium depending on the member's income level in relation to the Federal Poverty Level. The low-income premium subsidy is recognized evenly over the contract period and reported as part of premiums.

Catastrophic Reinsurance Subsidy—CMS will reimburse the Company for 80% of the drug costs after a member reaches his or her out-of-pocket catastrophic threshold of \$4,850 and \$4,550 for the years ended December 31, 2016 and 2015, respectively. The CMS prospective payment (a flat PMPM cost reimbursement estimate) is received monthly based on the original CMS bid. After the year is complete, a settlement is made based on actual experience. The catastrophic reinsurance subsidy is accounted for as deposit accounting.

Low-Income Member Cost Sharing Subsidy—For qualifying low-income members, CMS will reimburse the Company, on the member's behalf, some or all of a member's cost sharing amounts (e.g. deductible, co-pay/coinsurance). The amount paid for the member by CMS is dependent on the member's income level in relation to the Federal Poverty Level. The Company receives prospective payments on a monthly basis, and they represent a cost reimbursement that is finalized and settled after the end of the year. Low-income member cost sharing subsidy is accounted for as deposit accounting.

Coverage Gap Discount—The Medicare Coverage Gap Discount is a program that began in 2011, under which drug manufacturers are required to provide a 50% discount on brand name drugs purchased in the Medicare Part D coverage gap by non-LIS (Low Income Subsidy) Part D members. The amount of the discount is included in the accumulation of the members' out-of-pocket costs. Under the Medicare Coverage Gap Discount Program, the Company receives monthly prospective payments from CMS for advancing the gap discounts at the point of sale. CMS coordinates the collection of discount payments from pharmaceutical manufacturers and payments to the Company based on prescription drug event data.

CMS Risk Share—Premiums from CMS are subject to risk corridor provisions which compare costs targeted in the Company's annual bids to actual prescription drug costs, limited to actual costs that would have been incurred under the standard coverage as defined by CMS. Variances of more than 5% above or below the original bid submitted by the Company may result in CMS making additional payments to the Company or require the Company to refund to CMS a portion of the premiums the Company received. The Company estimates and recognizes an adjustment to premium revenues related to the risk corridor payment settlement based upon pharmacy claims experience. The estimate of the settlement associated with these risk corridor provisions requires the Company to consider factors that may not be certain, including member eligibility status differences with CMS. The risk-share adjustment, if any, is recorded as an adjustment to premiums.

Health care costs and general insurance expenses associated with Part D are recognized as the costs and expenses are incurred.

CMS Risk Factor Adjustments—The Company has an arrangement with CMS for certain of the Company's Medicare products whereby periodic changes in the Company's risk factor adjustment scores for certain diagnostic codes result in changes to the Company's premiums. The Company recognizes such changes when the amounts become determinable, supportable, and the collectibility is reasonably assured. Because the recorded revenue is based on the Company's best estimate at the time, the actual payment the Company receives from CMS for risk adjustment reimbursement settlements may be different than the amounts the Company has initially recognized in the statutory-basis financial statements.

ACA Risk Adjustment, and Risk Corridor Programs

Effective January 1, 2014, for those insurers participating inside, and in some cases outside, of the exchanges, the ACA designed the following premium stabilization provisions: (a) the permanent risk adjustment program, (b) the transitional reinsurance program and (c) the temporary risk corridor program. These programs impact the Company's accounting estimates. These programs are intended to mitigate some of the pricing risks, and for the lack of information surrounding the previously uninsured. Accordingly, there will be premium adjustments and health care costs adjustments, based on estimates related to these programs. Such estimated amounts may differ materially from actual amounts ultimately received or paid under these programs. Such significant changes in estimates may have a significant impact on the results of operations and financial condition of the Company.

Risk Adjustment—The risk adjustment program transfers funds from lower risk plans to higher risk plans within the same market in the same State in order to adjust premiums for adverse selection among carriers caused by membership shifts due to guarantee issue and community rating mandates.

The Company's estimate for the risk adjustment incorporates pricing and demographic assumptions, the distribution of newly enrolled membership in terms of geography, metal tiers, and age bands, and the estimated market averages of premium and risk scores. The Company considers information as it becomes available at interim dates, along with updated actuarially determined expectations.

Premiums are adjusted for the risk adjustment by projecting the ultimate premium for the calendar year separately for individual and group plans by state. Estimated calendar year settlement amounts are recognized ratably during the year and are revised each period to reflect current experience. The Company records receivables or payables at the individual or group level within each state. For the years ended December 31, 2016 and 2015, the risk adjustment estimate was \$5,147,423 and (\$955,856), respectively. The risk adjustment receivable was \$3,446,145 and \$1,263,799 as of December 31, 2016 and 2015, respectively.

Risk Corridor—The temporary risk corridor provisions limit issuer gains and losses by comparing allowable medical costs to a target amount, each defined/prescribed by HHS, and sharing the risk for allowable costs with the federal government. Variances from the target exceeding certain thresholds may result in HHS making additional payments to the Company or require the Company to refund HHS a portion of the premiums received.

The Company estimates and recognizes adjustments to premiums for the risk corridor provision by projecting the ultimate premium for the calendar year. Estimated calendar year settlement amounts are recognized ratably during the year and are revised each period to reflect current experience, including changes in risk adjustment and reinsurance recoverable. The Company records receivables or payables at the individual or group level within each state. For the years ended December 31, 2016 and 2015, the risk corridor premiums adjustment was (\$1,849,004) and \$837,802, respectively. Accrued retrospective premium receivable was \$155,671 with \$130,663 non-admitted as of December 31, 2016. Accrued retrospective premium receivable was \$2,099,975 with \$2,057,897 non-admitted as of December 31, 2015.

NOTES TO FINANCIAL STATEMENTS

D. Medical Loss Ratio Rebates Required Pursuant to the Public Health Service Act.

	1	2	3	4	5
	Individual	Small Group Employer	Large Group Employer	Other Categories with Rebates	Total
Prior Reporting Year					
(1) Medical loss ratio rebates incurred	\$	\$	\$	\$	\$
(2) Medical loss ratio rebates paid			427,219		427,219
(3) Medical loss ratio rebates unpaid					
(4) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	
(5) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	
(6) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	
Current Reporting Year-to-Date					
(7) Medical loss ratio rebates incurred	\$	\$	\$	\$	\$
(8) Medical loss ratio rebates paid					
(9) Medical loss ratio rebates unpaid					
(10) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	
(11) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	
(12) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	

NOTES TO FINANCIAL STATEMENTS

E. Risk Sharing Provisions of the Affordable Care Act

(1) Did the reporting entity write accident and health insurance premium which is subject to the Affordable Care Act risk sharing provisions

Yes [X] No []

(2) Impact of Risk Sharing Provisions of the Affordable Care Act on admitted assets, liabilities and revenue for the current year:

a. Permanent ACA Risk Adjustment Program		AMOUNT
Assets		
1.	Premium adjustments receivable due to ACA Risk Adjustment	\$ 3,446,145
Liabilities		
2.	Risk adjustment user fees payable for ACA Risk Adjustment	35,656
3.	Premium adjustments payable due to ACA Risk Adjustment	
Operations (Revenue & Expenses)		
4.	Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	5,147,423
5.	Reported in expenses as ACA Risk Adjustment user fees (incurred/paid)	\$ 25,552
b. Transitional ACA Reinsurance Program		
Assets		
1.	Amounts recoverable for claims paid due to ACA Reinsurance	\$ 1,694,793
2.	Amounts recoverable for claims unpaid due to ACA Reinsurance (contra liability)	101,165
3.	Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance	
Liabilities		
4.	Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium	1,325,538
5.	Ceded reinsurance premiums payable due to ACA Reinsurance	18,828
6.	Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance	\$
Operations (Revenue & Expenses)		
7.	Ceded reinsurance premiums due to ACA Reinsurance	\$ 18,828
8.	Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	670,280
9.	ACA Reinsurance contributions – not reported as ceded premium	\$ 562,627
c. Temporary ACA Risk Corridors Program		
Assets		
1.	Accrued retrospective premium due to ACA Risk Corridors	\$ 25,008
Liabilities		
2.	Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors	
Operations (Revenue & Expenses)		
3.	Effect of ACA Risk Corridors on net premium income (paid/received)	(1,849,004)
4.	Effect of ACA Risk Corridors on change in reserves for rate credits	\$

(3) Roll forward of prior year ACA Risk Sharing Provisions for the following asset (gross of any nonadmission) and liability balances along with the reasons for adjustments to prior year balance:

	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Difference		Adjustments		Unsettled Balances as of the Reporting Date	
	1	2	3	4	5	6	7	8	9	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Net	Receivable (Payable)
Permanent ACA Risk Adjustment Program										
1	Premium adjustments receivable	3,818,571		3,700,801		117,770	0	(117,770)	A	0
2	Premium adjustments (payable)		(1,410,540)			0	(1,410,540)		B	0
3	Subtotal ACA Permanent Risk Adjustment Program	3,818,571	(1,410,540)	3,700,801	0	117,770	(1,410,540)	(117,770)		0
Transitional ACA Reinsurance Program										
1	Amounts recoverable for claims paid	3,693,081		3,230,191		462,890	0	(462,890)	C	0
2	Amounts recoverable for claims unpaid (contra liability)					0	0		D	0
3	Amounts receivable relating to uninsured plans					0	0		E	0
4	Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premiums		(540,038)		(540,038)	0	0		F	0
5	Ceded reinsurance premiums payable		(25,166)		(25,166)	0	0		G	0
6	Liability for amounts held under uninsured plans					0	0		H	0
7	Subtotal ACA Transitional Reinsurance Program	3,693,081	(565,204)	3,230,191	(565,204)	462,890	0	(462,890)		0
Temporary ACA Risk Corridors Program										
1	Accrued retrospective premium	1,517,253		350,381		1,166,872	0	(1,011,201)	I	155,671
2	Reserve for rate credits or policy experience rating refunds		0	350,381		0	0		J	0
3	Subtotal ACA Risk Corridors Program	1,517,253	0	350,381	0	1,166,872	0	(1,011,201)		155,671
d	Total for ACA Risk Sharing Provisions	9,028,905	(1,975,744)	7,281,373	(565,204)	1,747,532	(1,410,540)	(1,591,861)		1,410,540

Explanations of Adjustments

- A. Estimated amounts were revised based on updated information and experience for the relevant period.
- B. Estimated amounts were revised based on updated information and experience for the relevant period.
- C. Estimated amounts were revised based on updated information and experience for the relevant period.
- D. None
- E. None
- F. None

NOTES TO FINANCIAL STATEMENTS

- G. None
- H. None
- I. Estimated amounts were revised based on updated information and experience for the relevant period.
- J. None

(4) Roll-Forward of Risk Corridors Asset and Liability Balances by Program Benefit Year

	Accrued During the Prior Year or Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year or Business Written Before December 31 of the Prior Year		Differences		Adjustments			Unsettled Balances as of the Reporting Date	
	1	2	3	4	Prior Year Accrued	Prior Year Accrued	7	8	9	10	
					Lost Payments (Col. 1-3)	Lost Payments (Col. 2-4)					
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Net	Receivable	(Payable)
2014											
a. 1	Accrued retrospective premium	\$ 1,517,263	\$ 390,381		\$ 1,166,872		\$ (1,011,201)		A	\$ 155,671	
2	Reserve for rate credits for policy experience rating refunds								B		0
2015											
b. 1	Accrued retrospective premium								C	\$ 0	
2	Reserve for rate credits for policy experience rating refunds								D		0
2016											
c. 1	Accrued retrospective premium								E	\$ 0	
2	Reserve for rate credits for policy experience rating refunds								F		0
d. Total for Risk Corridors		\$ 1,517,263	\$ 390,381		\$ 1,166,872		\$ (1,011,201)			\$ 155,671	

- A. Estimated amounts were revised based on updated information and experience for the relevant period.
- B. None
- C. None
- D. None
- E. None
- F. None

(5) ACA Risk Corridors Receivable as of Reporting Date

Risk Corridors Program Year	1	2	3	4	5	5
	Estimated Amount to be Filed or Final Amount Filed with CMS	Non-Accrued Amounts for Impairment or Other Reasons	Amounts Received from CMS	Asset Balance (Gross of Non-Admissions) (1-2-3)	Non-Admitted Amount	Net Admitted Asset (1-5)
a. 2014	\$ 2,355,055	\$ 1,849,003	\$ 350,381	\$ 155,671	\$ 130,663	\$ 25,008
b. 2015	\$	\$	\$	\$	\$	\$
c. 2016	\$	\$	\$	\$	\$	\$
d. Total (a+b+c)	\$ 2,355,055	\$ 1,849,003	\$ 350,381	\$ 155,671	\$ 130,663	\$ 25,008

Note 25 – Change in Incurred Losses and Loss Adjustment Expenses

Reserves as of December 31, 2015 were \$44,525,462. As of December 31, 2016, \$ 43,054,915 has been paid for incurred claims attributable to insured events of prior years. Reserves remaining for prior years are now \$98,056 as a result of re-estimation of unpaid claims. Therefore, there has been a \$1,470,547 favorable prior-year development since December 31, 2015 to December 31, 2016. The increase is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

Note 26 – Intercompany Pooling Arrangements

None

Note 27 – Structured Settlements

None

Note 28 – Health Care Receivables

A. Pharmaceutical Rebate Receivables

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More than 180 Days After Billing
12/31/2016	\$ 3,086,577	\$	\$	\$	\$
09/30/2016	4,923,998	2,961,870	2,371,892		
06/30/2016	4,632,005	4,054,947	2,541,852	1,821,444	
03/31/2016	2,281,287	2,861,185		2,306,018	555,167
12/31/2015	2,643,955	2,275,674		2,178,169	96,733
09/30/2015	2,271,973	2,371,683		2,283,481	87,480
06/30/2015	2,363,320	2,142,167		2,051,815	90,352
03/31/2015	1,867,510	1,967,071		1,819,137	147,934
12/31/2014	1,320,105	1,228,948		1,137,572	91,376
09/30/2014	1,144,407	1,154,231		976,768	177,463
06/30/2014	1,144,816	1,114,953		789,994	324,959
03/31/2014	989,154	998,376		618,474	379,902

B. Risk Sharing Receivables

The Company carried a CMS risk share return premium totaling \$3,978,489 and \$368,680 as of December 31, 2016 and 2015, respectively, based on the occurrence of actual costs being lower than the level estimated in the original bid submitted to CMS. See Note 1 for the ACA Risk Adjustment, Reinsurance and Risk Corridor programs.

The Company reports no other risk-sharing receivables on the accompanying financial statements.

Health care receivables reported on the accompanying financial statements are generally comprised of overpayments to providers and pharmaceutical rebates receivable. These balances have been evaluated for admissibility pursuant to SSAP No. 84.

NOTES TO FINANCIAL STATEMENTS

Note 29 – Participating Policies

None

Note 30 – Premium Deficiency Reserves

- | | | |
|----|--|------------------|
| 1. | Liability carried for premium deficiency reserve: | \$19,178,679 |
| 2. | Date of most recent evaluation of this liability: | January 17, 2017 |
| 3. | Was anticipated investment income utilized in the calculation? | Yes [X] No [] |

Note 31 – Anticipated Salvage and Subrogation

None

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes No
 If yes, complete Schedule Y, Parts 1, 1A and 2.
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes No N/A
- 1.3 State regulating? Oregon
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes No
- 2.2 If yes, date of change: _____
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2013
- 3.2 State as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2013
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 03/19/2015
- 3.4 By what department or departments?
Oregon Division of Financial Regulation
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes No N/A
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes No N/A
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes No
- 4.12 renewals? Yes No
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes No
- 4.22 renewals? Yes No
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes No
- 5.2 If yes, provide the name of entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes No
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes No
- 7.2 If yes,
- 7.21 State the percentage of foreign control _____ %
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity

- 8.1 Is the company a subsidiary of a bank holding company regulated with the Federal Reserve Board? Yes No
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes No
- 8.4 If the response to 8.3 is yes, please provide below the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency (i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)) and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Jim Mintert, Audit Partner, KPMG, 10 S. Broadway, Suite 900, St. Louis, MO 63102
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes No
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes No
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes No N/A
- 10.6 If the response to 10.5 is no or n/a, please explain:

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Arthur L. Baldwin III, FSA, MAAA, Principal and Consulting Actuary, Milliman Inc. 1301 Fifth Avenue, Suite 3800, Seattle, WA 98101-2605
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
- 12.11 Name of real estate holding company _____
- 12.12 Number of parcels involved _____
- 12.13 Total book/adjusted carrying value \$ _____
- 12.2 If yes, provide explanation _____
- 12.13 Total book/adjusted carrying value \$ _____
- 12.2 If yes, provide explanation _____
13. **FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
- 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.
- 14.11 If the response to 14.1 is no, please explain:
- 14.2 Has the code of ethics for senior managers been amended? Yes [X] No []
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
Due to the acquisition of the Company by Centene Corporation, the Company adopted the Centene Corporation code of ethics, which was substantially similar to the prior code of ethics.
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [] No [X]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinator committee thereof? Yes [X] No []
17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes [X] No []
18. Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No []

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers \$ _____
- 20.12 To stockholders not officers \$ _____
- 20.13 Trustees, supreme or grand (Fraternal only) \$ _____
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers \$ _____
- 20.22 To stockholders not officers \$ _____
- 20.23 Trustees, supreme or grand (Fraternal only) \$ _____
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reporting in the statement? Yes [] No [X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others \$ _____
- 21.22 Borrowed from others \$ _____
- 21.23 Leased from others \$ _____
- 21.24 Other \$ _____
- 22.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments? Yes [X] No []
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment \$ _____ 11,550
- 22.22 Amount paid as expenses \$ _____
- 22.23 Other amounts paid \$ _____
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No []
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ _____

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

INVESTMENT

24.01 Were all of stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.03)? Yes No

24.02 If no, give full and complete information, relating thereto:

24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet (an alternative is to reference Note 17 where this information is also provided).

24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the *Risk-Based Capital Instructions*? Yes No N/A

24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$ _____

24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$ _____

24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes No N/A

24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes No N/A

24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes No N/A

24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ _____ 0

24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ _____ 0

24.103 Total payable for securities lending reported on the liability page: \$ _____ 0

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is current in force? (Exclude securities subject to Interrogatory 21.1 and 24.03.) Yes No

25.2 If yes, state the amount thereof at December 31 of the current year:

25.21 Subject to repurchase agreements \$ _____ 0

25.22 Subject to reverse repurchase agreements \$ _____ 0

25.23 Subject to dollar repurchase agreements \$ _____ 0

25.24 Subject to reverse dollar repurchase agreements \$ _____ 0

25.25 Placed under option agreements \$ _____ 0

25.26 Letter stock or securities restricted as sale – excluding FHLB Capital Stock \$ _____ 0

25.27 FHLB Capital Stock \$ _____ 0

25.28 On deposit with states \$ _____ 425,279

25.29 On deposit with other regulatory bodies \$ _____ 0

25.30 Pledged as collateral – excluding collateral pledged to an FHLB \$ _____ 0

25.31 Pledged as collateral to FHLB – including assets backing funding agreements \$ _____ 0

25.32 Other \$ _____ 0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
		\$ _____

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes No

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? If no, attach a description with this statement. Yes No N/A

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes No

27.2 If yes, state the amount thereof at December 31 of the current year: \$ _____

28. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*? Yes No

28.01 For all agreements that comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
US BANK N A	555 S. W. OAK STREET, PORTLAND, OR 97204

28.02 For all agreements that do not comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, provide the name, location and a complete explanation

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes No

28.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

28.05 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such, "[...that have access to the investment accounts", "... handle securities"].

1 Name of Firm or Individual	2 Affiliation
GENERAL RE-NEW ENGLAND ASSET MANAGEMENT	U

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

- 28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets? Yes No
- 28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes No
- 28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1	2	3	4	5
Central Registration Depository Number	Name of Firm or Individual	Legal Entity Identifier (LEI)	Registered With	Investment Management Agreement (IMA) Filed
105900	GENERAL RE-NEW ENGLAND ASSET MANAGEMENT	KUR85E5PS4GQFZTFC130	SEC	DS

- 29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D-Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes No

29.2 If yes, complete the following schedule:

1	2	3
CUSIP	Name of Mutual Fund	Book/Adjusted Carrying Value
29.2999 TOTAL		

29.3 For each mutual fund listed in the table above, complete the following schedule:

1	2	3	4
Name of Mutual Fund (from above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	Date of Valuation

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

		1	2	3
		Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1	Bonds	148,274,206	147,198,981	(1,075,225)
30.2	Preferred Stocks	0	0	0
30.3	Totals	148,274,206	147,198,981	(1,075,225)

30.4 Describe the sources or methods utilized in determining the fair values:

Fair values reported on this schedule are based on prices obtained from Interactive Data Pricing and Reference Data, Inc., an independent pricing services provider.

- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes No
- 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes No
- 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
- 32.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed? Yes No
- 32.2 If no, list exceptions:

OTHER

- 33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 0
- 33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1	2
Name	Amount Paid
	\$

34.1 Amount of payments for legal expenses, if any? \$ 0

34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1	2
Name	Amount Paid
	\$

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ 0

35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1	2
Name	Amount Paid
	\$

GENERAL INTERROGATORIES

PART 2 – HEALTH INTERROGATORIES

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force?		Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
1.2	If yes, indicate premium earned on U.S. business only.	\$	4,325,730	
1.3	What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?	\$	5	
1.31	Reason for excluding:			
1.4	Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.	\$	0	
1.5	Indicate total incurred claims on all Medicare Supplement insurance.	\$	4,101,550	
1.6	Individual policies:			
	Most current three years:			
1.61	Total premium earned	\$	0	
1.62	Total incurred claims	\$	0	
1.63	Number of covered lives	\$	0	
	All years prior to most current three years:			
1.64	Total premium earned	\$	4,325,725	
1.65	Total incurred claims	\$	4,101,550	
1.66	Number of covered lives	\$	22,667	
1.7	Group policies:			
	Most current three years:			
1.71	Total premium earned	\$	0	
1.72	Total incurred claims	\$	0	
1.73	Number of covered lives	\$	0	
	All years prior to most current three years:			
1.74	Total premium earned	\$	0	
1.75	Total incurred claims	\$	0	
1.76	Number of covered lives	\$	0	
2.	Health Test:			
			1	2
			Current Year	Prior Year
2.1	Premium Numerator	\$	509,798,729	418,616,587
2.2	Premium Denominator	\$	509,798,729	418,616,587
2.3	Premium Ratio (2.1/2.2)	\$	100.000	100.000
2.4	Reserve Numerator	\$	45,702,620	44,525,462
2.5	Reserve Denominator	\$	68,932,010	69,318,140
2.6	Reserve Ratio (2.4/2.5)	\$	66.301	64.233
3.1	Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?		Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
3.2	If yes, give particulars:			
4.1	Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?		Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
4.2	If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?		Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
5.1	Does the reporting entity have stop-loss reinsurance?		Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
5.2	If no, explain:			
5.3	Maximum retained risk (see instructions)			
5.31	Comprehensive Medical	\$	0	
5.32	Medical Only	\$	0	
5.33	Medicare Supplement	\$	0	
5.34	Dental and Vision	\$	0	
5.35	Other Limited Benefit Plan	\$	0	
5.36	Other	\$	0	
6.	Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:			

GENERAL INTERROGATORIES

PART 2 – HEALTH INTERROGATORIES

- 7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes [X] No []
 7.2 If no, give details

8. Provide the following information regarding participating providers:

8.1	Number of providers at start of reporting year	39,512
8.2	Number of providers at end of reporting year	53,403

9.1 Does the reporting entity have business subject to premium rate guarantees? Yes [X] No []

9.2 If yes, direct premium earned:

9.21	Business with rate guarantees with rate guarantees between 15-36 months	\$ 673,798
9.22	Business with rate guarantees over 36 months	\$ 0

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes [X] No []

10.2 If yes:

10.21	Maximum amount payable bonuses	\$ 0
10.22	Amount actually paid for year bonuses	\$ 0
10.23	Maximum amount payable withholds	\$ 306,000
10.24	Amount actually paid for year withholds	\$ 245,446

11.1 Is the reporting entity organized as:

- 11.12 A Medical Group/Staff Model, Yes [] No [X]
 11.13 An Individual Practice Association (IPA), or, Yes [] No [X]
 11.14 A Mixed Model (combination of above)? Yes [] No [X]

11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? Yes [X] No []

11.3 If yes, show the name of the state requiring such minimum capital and surplus.
Oregon

11.4 If yes, show the amount required. \$ 44,345,770

11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [] No [X]

11.6 If the amount is calculated, show the calculation
Risk Based Capital requirement after covariance.

12. List service areas in which reporting entity is licensed to operate:

1 Name of Service Area
State of Oregon
State of Washington

13.1 Do you act as a custodian for health savings accounts? Yes [] No [X]

13.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$ 0

13.3 Do you act as an administrator for health savings accounts? Yes [] No [X]

13.4 If yes, please provide the balance of the funds administered as of the reporting date. \$ 0

14.1 Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers? Yes [] No [X] N/A []

14.2 If the answer to 14.1 is yes, please provide the following:

1 Company Name	2 NAIC Company Code	3 Domiciliary Jurisdiction	4 Reserve Credit	Assets Supporting Reserve Credit		
				5 Letters of Credit	6 Trust Agreements	7 Other
	0		\$	\$	\$	\$

15. Provide the following for individual ordinary life insurance* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded).

15.1	Direct Premium Written	\$ 0
15.2	Total Incurred Claims	\$ 0
15.3	Number of Covered Lives	0

*Ordinary Life Insurance Includes
Term (whether full underwriting, limited underwriting, jet issue, "short form app")
Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")
Variable Life (with or without secondary guarantee)
Universal Life (with or without secondary guarantee)
Variable Universal Life (with or without secondary guarantee)

**HEALTH NET HEALTH PLAN OF OREGON, INC.
FIVE-YEAR HISTORICAL DATA**

	1 2016	2 2015	3 2014	4 2013	5 2012
Balance Sheet Items (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28).....	181,638,258	152,052,291	131,596,286	94,617,882	121,437,370
2. Total liabilities (Page 3, Line 24).....	81,977,012	83,968,789	75,848,998	41,322,678	54,711,198
3. Statutory minimum capital and surplus requirement.....	44,345,770	36,967,124	27,862,680	23,239,305	28,693,468
4. Total capital and surplus (Page 3, Line 33).....	99,661,246	68,083,502	55,747,288	53,295,204	66,726,172
Income Statement Items (Page 4)					
5. Total revenues (Line 8).....	506,176,430	418,841,165	327,884,445	294,056,815	368,785,153
6. Total medical and hospital expenses (Line 18).....	481,524,281	396,743,095	293,709,002	245,401,586	306,602,910
7. Claims adjustment expenses (Line 20).....	22,891,028	17,439,169	12,584,684	10,878,535	10,499,790
8. Total administrative expenses (Line 21).....	57,899,275	50,667,196	45,142,741	37,721,455	40,567,495
9. Net underwriting gain (loss) (Line 24).....	(50,952,567)	(40,879,656)	(52,764,637)	1,982,905	10,274,288
10. Net investment gain (loss) (Line 27).....	2,663,475	2,459,837	2,418,734	3,430,175	5,337,268
11. Total other income (Lines 28 plus 29).....	(25,896)	32	3,596	(25)	(82,638)
12. Net income or (loss) (Line 32).....	(31,842,735)	(25,390,633)	(43,820,219)	4,590,737	10,589,254
Cash Flow (Page 6)					
13. Net cash from operations (Line 11).....	(44,179,105)	(22,392,934)	(21,036,523)	(11,144,794)	20,555,990
Risk-Based Capital Analysis					
14. Total adjusted capital.....	99,661,246	68,083,502	55,747,288	53,295,204	66,726,172
15. Authorized control level risk-based capital.....	22,172,885	18,483,562	13,931,340	11,619,653	14,346,734
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7).....	94,051	80,293	73,002	69,793	84,000
17. Total member months (Column 6, Line 7).....	1,092,324	954,798	845,909	821,994	1,059,764
Operating Percentage (Page 4) (Item divided by Page 4, sum of Lines 2, 3, and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5).....	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Line 18 plus Line 19).....	95.1	94.7	89.6	83.5	83.1
20. Cost containment expenses.....	3.2	2.8	2.5	2.6	1.9
21. Other claims adjustment expenses.....	1.3	1.4	1.3		0.9
22. Total underwriting deductions (Line 23).....	110.1	109.8	116.1	99.3	97.2
23. Total underwriting gain (loss) (Line 24).....	(10.1)	(9.8)	(16.1)	0.7	2.8
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13 Col. 5).....	42,883,701	32,744,892	25,065,912	30,143,817	29,836,257
25. Estimated liability of unpaid claims - [prior year (Line 13, Col. 6)]	37,608,582	28,224,692	25,578,756	35,428,882	26,623,819
Investments in Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1).....					
27. Affiliated preferred stocks (Sch D. Summary, Line 18, Col. 1).....					
28. Affiliated common stocks (Sch D. Summary, Line 24, Col. 1).....					
29. Affiliated short-term investments (subtotal included in Sch. DA, Verification, Column 5, Line 10).....					
30. Affiliated mortgage loans on real estate.....					
31. All other affiliated.....					
32. Total of above Lines 26 to 31.....	0	0	0	0	0
33. Total investment in parent included in Lines 26 to 31 above.....					

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors?

Yes [] No []

If no, please explain:

HEALTH NET HEALTH PLAN OF OREGON, INC. SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

1	2	3	4	Direct Business Only					9
				5	6	7	8		
State, Etc.	Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums and Other Considerations	Property/Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1. Alabama.....AL	N							0	
2. Alaska.....AK	N							0	
3. Arizona.....AZ	N							0	
4. Arkansas.....AR	N							0	
5. California.....CA	N							0	
6. Colorado.....CO	N							0	
7. Connecticut.....CT	N							0	
8. Delaware.....DE	N							0	
9. District of Columbia.....DC	N							0	
10. Florida.....FL	N							0	
11. Georgia.....GA	N							0	
12. Hawaii.....HI	N							0	
13. Idaho.....ID	N							0	
14. Illinois.....IL	N							0	
15. Indiana.....IN	N							0	
16. Iowa.....IA	N							0	
17. Kansas.....KS	N							0	
18. Kentucky.....KY	N							0	
19. Louisiana.....LA	N							0	
20. Maine.....ME	N							0	
21. Maryland.....MD	N							0	
22. Massachusetts.....MA	N							0	
23. Michigan.....MI	N							0	
24. Minnesota.....MN	N							0	
25. Mississippi.....MS	N							0	
26. Missouri.....MO	N							0	
27. Montana.....MT	N							0	
28. Nebraska.....NE	N							0	
29. Nevada.....NV	N							0	
30. New Hampshire.....NH	N							0	
31. New Jersey.....NJ	N							0	
32. New Mexico.....NM	N							0	
33. New York.....NY	N							0	
34. North Carolina.....NC	N							0	
35. North Dakota.....ND	N							0	
36. Ohio.....OH	N							0	
37. Oklahoma.....OK	N							0	
38. Oregon.....OR	L	191,637,349	271,791,499					463,428,848	
39. Pennsylvania.....PA	N							0	
40. Rhode Island.....RI	N							0	
41. South Carolina.....SC	N							0	
42. South Dakota.....SD	N							0	
43. Tennessee.....TN	N							0	
44. Texas.....TX	N							0	
45. Utah.....UT	N							0	
46. Vermont.....VT	N							0	
47. Virginia.....VA	N							0	
48. Washington.....WA	L	44,618,631						44,618,631	
49. West Virginia.....WV	N							0	
50. Wisconsin.....WI	N							0	
51. Wyoming.....WY	N							0	
52. American Samoa.....AS	N							0	
53. Guam.....GU	N							0	
54. Puerto Rico.....PR	N							0	
55. U.S. Virgin Islands.....VI	N							0	
56. Northern Mariana Islands.....MP	N							0	
57. Canada.....CAN	N							0	
58. Aggregate Other alien.....OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal.....XXX		236,255,980	271,791,499	0	0	0	0	508,047,479	0
60. Reporting entity contributions for Employee Benefit Plans.....XXX		1,770,078						1,770,078	
61. Total (Direct Business).....(a)	2	238,026,058	271,791,499	0	0	0	0	509,817,557	0

DETAILS OF WRITE-INS

58001.....								0	
58002.....								0	
58003.....								0	
58998. Summary of remaining write-ins for line 58.....		0	0	0	0	0	0	0	0
58999. Total (Lines 58001 through 58003 + 58998).....		0	0	0	0	0	0	0	0

(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;

(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

Explanation of basis of allocation by states, premiums by state, etc.

Cash collected is allocated to the resident state of the individual or group contract holder.

(a) Insert the number of L responses except for Canada and Other Alien.

Centene Corporation	42-1406317	DE	
Bankers Reserve Life Insurance Company of Wisconsin	39-0993433	WI	71013
Health Plan Real Estate Holding, Inc (17%)	46-2860967	MO	
Peach State Health Plan, Inc	20-3174593	GA	12315
Health Plan Real Estate Holding, Inc (21%)	46-2860967	MO	
Iowa Total Care, Inc	46-4829006	IA	15713
Buckeye Community Health Plan, Inc	32-0045282	OH	11834
Health Plan Real Estate Holding, Inc (13%)	46-2860967	MO	
Absolute Total Care, Inc	20-5693998	SC	12959
Health Plan Real Estate Holding, Inc (1%)	46-2860967	MO	
Physicians Choice, LLC	59-3807546	SC	
PhyTrust of South Carolina LLC	65-1206841	FL	
Coordinated Care Corporation d/b/a Managed Health Services	39-1821211	IN	95831
Health Plan Real Estate Holding, Inc (15%)	46-2860967	MO	
Healthy Washington Holdings, Inc	46-5523218	DE	
Coordinated Care of Washington, Inc	46-2578279	WA	15352
Managed Health Services Insurance Corp	39-1678579	WI	96822
Health Plan Real Estate Holding, Inc (2%)	46-2860967	MO	
Hallmark Life Insurance Co	86-0819817	AZ	60078
Superior HealthPlan, Inc	74-2770542	TX	95647
Health Plan Real Estate Holding, Inc (21%)	46-2860967	MO	
Healthy Louisiana Holdings LLC	27-0916294	DE	
Louisiana Healthcare Connections, Inc	27-1287287	LA	13970
Magnolia Health Plan Inc	20-8570212	MS	13923
IlliniCare Health Plan, Inc	27-2186150	IL	14053
Health Plan Real Estate Holding, Inc (5%)	46-2860967	MO	
Sunshine Health Holding LLC	26-0557093	FL	
Sunshine State Health Plan, Inc	20-8937577	FL	13148
Access Health Solutions LLC	56-2384404	FL	
Kentucky Spirit Health Plan, Inc	45-1294925	KY	14100
Healthy Missouri Holding, Inc (95%)	45-5070230	MO	
Home State Health Plan, Inc	45-2798041	MO	14218
Health Plan Real Estate Holding, Inc (5%)	46-2860967	MO	
Sunflower State Health Plan, Inc	45-3276702	KS	14345
Granite State Health Plan, Inc	45-4792498	NH	14226
Bridgeway Advantage Solutions, Inc	46-4195563	AZ	15447
California Health and Wellness Plan	46-0907261	CA	
Fidelis SecureCare of Michigan, Inc.	30-0312489	MI	10769
Silver Summit Health Plan, Inc.	20-4761189	NV	
Agate Resources, Inc.	20-0483299	OR	
Lane Individual Practice Association, Inc.	93-1198219	OR	
Trillium Community Health Plan, Inc. (60%)	42-1694349	OR	12559
Trillium Community Health Plan, Inc. (40%)	42-1694349	OR	12559
Agate Properties, LLC	26-4475075	OR	
Independent Professional Services, LLC	93-1198376	OR	
Nebraska Total Care, Inc.	47-5123293	NE	15902
Pennsylvania Health & Wellness, Inc.	47-5340613	PA	16041
Superior HealthPlan Community Solutions, Inc.	47-5664832	TX	15912
Sunshine Health Community Solutions, Inc.	47-5667095	FL	15927
Buckeye Health Plan Community Solutions, Inc.	47-5664342	OH	
Arkansas Health & Wellness Health Plan, Inc.	81-1282251	AR	
Healthy Oklahoma Holdings, Inc.	81-2788043	DE	
Oklahoma Complete Health Inc.	81-3121527	OK	
Bridgeway Health Solutions, LLC	20-4980875	DE	
Bridgeway Health Solutions of Arizona Inc.	20-4980818	AZ	
Celtic Group, Inc	36-2979209	DE	
Celtic Insurance Company	06-0641618	IL	80799
Ambetter of Magnolia Inc	35-2525384	MS	15762
Ambetter of Peach State Inc.	36-4802632	GA	15729
Novasys Health, Inc	27-2221367	DE	
CeltiCare Health Plan Holdings LLC	26-4278205	DE	
CeltiCare Health Plan of Massachusetts, Inc.	26-4818440	MA	13632
Centene Management Company LLC	39-1864073	WI	
CMC Real Estate Co. LLC	20-0057283	DE	
Centene Center LLC	26-4094682	DE	
Centene Center II, LLC	47-5156015	DE	
CMC Hanley, LLC	46-4234827	MO	
Forhan, LLC	47-2914561	MO	
Hanley-Forsyth, LLC	37-1766939	MO	
GPT Acquisition LLC	45-5431787	DE	
Clayton Property Investment LLC	45-4372065	DE	
LSM Holdco, Inc.	46-2794037	DE	
Lifeshare Management Group, LLC	46-2798132	NH	
CCTX Holdings, LLC	20-2074217	DE	

Centene Company of Texas, LP (1%)	74-2810404	TX	
Centene Holdings, LLC	20-2074277	DE	
Centene Company of Texas, LP (99%)	74-2810404	TX	
MHS Travel & Charter, Inc	43-1795436	WI	
Health Care Enterprises, LLC	46-4855483	DE	
Envolve Holdings, Inc.	22-3889471	DE	
Cenpatico Behavioral Health, LLC	68-0461584	CA	
CBHSP Arizona, Inc	86-0782736	AZ	
Cenpatico of California, Inc	47-2595704	CA	
Integrated Mental Health Mgmt, LLC	74-2892993	TX	
Integrated Mental Health Services	74-2785494	TX	
Cenpatico Behavioral Health of Arizona, LLC	20-1624120	AZ	
Cenpatico of Arizona Inc. (80%)	80-0879942	AZ	14704
Envolve, Inc.	37-1788565	DE	
AHA Administrative Services, LLC	47-4545413	AL	
Envolve - New York, Inc.	47-3454898	NY	
Envolve PeopleCare, Inc.	06-1476380	DE	
LiveHealthier, Inc.	47-2516714	DE	
Envolve Benefit Options, Inc.	20-4730341	DE	
Envolve Captive Insurance Company, Inc.	36-4520004	SC	
Envolve Vision of Texas, Inc.	75-2592153	TX	95302
Envolve Vision, Inc	20-4773088	DE	
Envolve Vision of Florida, Inc	65-0094759	FL	
Envolve Total Vision, Inc.	20-4861241	DE	
Envolve Vision of New York, Inc.	06-1635519	NY	
Envolve Dental, Inc.	46-2783884	DE	
Envolve Dental of Florida, Inc.	81-2969330	FL	
Envolve Dental of Texas, Inc.	81-2796896	TX	
Cenpatico of Louisiana, Inc.	45-2303998	LA	15357
Envolve Pharmacy Solutions, Inc.	77-0578529	DE	
LBB Industries, Inc	76-0511700	TX	
RX Direct, Inc	75-2612875	TX	
US Script IPA, LLC	46-2307356	NY	
Casenet LLC	90-0636938	DE	
Casenet S.R.O.	Foreign	CZE	
Centurion Group, Inc	61-1450727	DE	
Centurion LLC (51%)	90-0766502	DE	
Centurion of Arizona, LLC	81-4228054	AZ	
Centurion of Vermont, LLC	47-1686283	VT	
Centurion of Mississippi, LLC	47-2967381	MS	
Centurion of Tennessee, LLC	30-0752651	TN	
Massachusetts Partnership for Correctional Healthcare, LLC	61-1696004	MA	
Centurion of Idaho, LLC	46-3590120	ID	
Centurion of Minnesota, LLC	46-2717814	MN	
Centurion Correctional Healthcare of New Mexico, LLC	81-1161492	NM	
Centurion of Florida, LLC	81-0687470	FL	
Specialty Therapeutic Care Holdings, LLC	27-3617766	DE	
Specialty Therapeutic Care, LP (99.99%)	73-1698808	TX	
Specialty Therapeutic Care, GP, LLC	73-1698807	TX	
Specialty Therapeutic Care, LP (0.01%)	73-1698808	TX	
Specialty Therapeutic Care West, LLC	26-2624521	TX	
AcariaHealth Solutions, Inc.	80-0856383	DE	
AcariaHealth, Inc.	45-2780334	DE	
AcariaHealth Pharmacy #14, Inc	27-1599047	CA	
AcariaHealth Pharmacy #11, Inc	20-8192615	TX	
AcariaHealth Pharmacy #12, Inc	27-2765424	NY	
AcariaHealth Pharmacy #13, Inc	26-0226900	CA	
AcariaHealth Pharmacy, Inc	13-4262384	CA	
HomeScripts.com, LLC	27-3707698	MI	
New York Rx, Inc.	20-8235695	NY	
U.S. Medical Management Holdings, Inc	27-0275614	DE	
U.S. Medical Management, LLC (20%)	38-3153946	DE	
U.S. Medical Management, LLC (48%)	38-3153946	DE	
RMED, LLC	31-1733889	FL	
IAH of Florida, LLC	47-2138680	FL	
Heritage Home Hospice, LLC	51-0581762	MI	
Grace Hospice of Austin, LLC	20-2827613	MI	
ComfortBrook Hospice, LLC	20-1530070	OH	
Comfort Hospice of Texas, LLC	20-4996551	MI	
Grace Hospice of San Antonio, LLC	20-2827526	MI	
Grace Hospice of Grand Rapids, LLC	45-0679248	MI	
Grace Hospice of Indiana, LLC	45-0634905	MI	
Grace Hospice of Virginia, LLC	45-5080637	MI	

Comfort Hospice of Missouri, LLC	45-5080567	MI	
Grace Hospice of Colorado, LLC	45-5080675	MI	
Grace Hospice of Wisconsin, LLC	46-1708834	MI	
Seniorcorps Peninsula, LLC	26-4435532	VA	
R&C Healthcare, LLC	33-1179031	TX	
A N J, LLC	20-0927034	TX	
Pinnacle Senior Care of Missouri, LLC	46-0861469	MI	
Country Style Health Care, LLC	03-0556422	TX	
Phoenix Home Health Care, LLC	14-1878333	DE	
Traditional Home Health Services, LLC	75-2635025	TX	
Family Nurse Care, LLC	38-2751108	MI	
Family Nurse Care II, LLC	20-5108540	MI	
Family Nurse Care of Ohio, LLC	20-3920947	MI	
Pinnacle Senior Care of Wisconsin, LLC	46-4229858	WI	
Pinnacle Senior Care of Indiana, LLC	81-1565426	MI	
Pinnacle Home Care, LLC	76-0713516	TX	
North Florida Health Services, Inc	59-3519060	FL	
Pinnacle Sr. Care of Kalamazoo, LLC	47-1742728	MI	
Hospice DME Company, LLC	46-1734288	MI	
Rapid Respiratory Services, LLC	20-4364776	DE	
USMM Accountable Care Network, LLC	46-5730959	DE	
USMM Accountable Care Partners, LLC	46-5735993	DE	
USMM Accountable Care Solutions, LLC	46-5745748	DE	
USMM ACO, LLC	45-4165480	MI	
USMM ACO Florida, LLC	45-4157180	MI	
USMM ACO North Texas, LLC	45-4154905	MI	
Health Net, Inc.	47-5208076	DE	
Health Net of California, Inc.	95-4402957	CA	
Health Net Life Insurance Company	73-0654885	CA	66141
Health Net Life Reinsurance Company	98-0409907	CYM	
Health Net of California Real Estate Holdings, Inc.	54-2174069	CA	
Managed Health Network, LLC	95-4117722	DE	
Catalina Behavioral Health Services, Inc.	51-0490598	AZ	
Managed Health Network	95-3817988	CA	
MHN Services, LLC	95-4146179	CA	
MHN Services IPA, Inc.	13-4027559	NY	
Health Net Federal Services, LLC	68-0214809	DE	
MHN Government Services LLC	42-1680916	DE	
MHN Global Services, Inc.	51-0589404	DE	
MHN Government Services-Belgium, Inc.	80-0852000	DE	
MHN Government Services-Djibouti, Inc.	90-0889816	DE	
MHN Government Services-Germany, Inc.	80-0852008	DE	
MHN Government Services-Guam, Inc.	90-0889803	DE	
MHN Government Services-International, Inc.	90-0889825	DE	
MHN Government Services-Italy, Inc.	80-0852019	DE	
MHN Government Services-Japan, Inc.	46-1038058	DE	
MHN Government Services-Puerto Rico, Inc.	90-0889815	DE	
MHN Government Services-Turkey, Inc.	90-0889824	DE	
MHN Government Services-United Kingdom, Inc.	90-0889833	DE	
Network Providers, LLC (10%)	88-0357895	DE	
Health Net Preferred Providers, LLC	61-1388903	DE	
Health Net Veterans, LLC	35-2490375	DE	
Network Providers, LLC (90%)	88-0357895	DE	
Health Net of the Northeast, LLC (25%)	06-1116976	DE	
Health Net of the Northeast, LLC (75%)	06-1116976	DE	
QualMed, Inc.	84-1175468	DE	
QualMed Plans for Health of Colorado, Inc.	84-0975985	CO	
Health Net Health Plan of Oregon, Inc.	93-1004034	OR	95800
HSI Advantage Health Holdings, Inc.	23-2867299	DE	
QualMed Plans for Health of Western Pennsylvania, Inc.	23-2867300	PA	
Pennsylvania Health Care Plan, Inc.	25-1516632	PA	
Health Net Services Inc.	94-3037822	DE	
Health Net Community Solutions, Inc.	54-2174068	CA	
Health Net of Arizona, Inc.	36-3097810	AZ	95206
Health Net One Payment Services, Inc.	54-2153100	DE	
Health Net of Pennsylvania, LLC	n/a	PA	
QualMed Plans for Health of Pennsylvania, Inc.	23-2456130	PA	
FH Surgery Limited, Inc.	68-0390434	CA	
Foundation Health Facilities, Inc.	68-0390438	CA	
FH Assurance Company	98-0150604	CYM	
Health Net Pharmaceutical Services	68-0295375	CA	
Health Net of Arizona Administrative Services, Inc.	86-0660443	AZ	
Health Net Community Solutions of Arizona, Inc.	81-1348826	AZ	15895

National Pharmacy Services Inc.	84-1301249	DE
Integrated Pharmacy Systems, Inc. (90%)	23-2789453	PA
FH Surgery Centers Inc.	68-0390435	CA
Greater Sacramento Surgery Center LP (66%)	68-0343818	CA
Health Net Access, Inc.	46-2616037	AZ
MHS Consulting, International, Inc	20-8630006	DE
PRIMEROSALUD, S.L.	Foreign	ESP
Centene UK Limited	Foreign	GBR
The Practice (Group) Limited (75%)	Foreign	GBR
DC Care Connections, Inc.	81-4266094	DC
Centene Health Plan Holdings, Inc.	Pending	DE

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